

WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW

1022 CALHOUN STREET (SUITE 302)

P.O. BOX 8416

COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
ELIZABETH ZECK
PAIGE J. GOSSETT
RANDOLPH R. LOWELL
K. CHAD BURGESS
NOAH M. HICKS II"

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

April 26, 2005

Via Hand-Delivery

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of South Carolina Electric & Gas Company for Adjustments
in the Company's Natural Gas Rate Schedules and Tariffs;
Docket No.: 2005-113-G

Dear Mr. Terreni:

Enclosed for filing in connection with the above captioned case are the original and twenty-five (25) copies of South Carolina Electric & Gas Company's application for, among other things, approval of adjustments in the Company's natural gas rate schedules and tariffs. The specific requests for relief are set forth in the application.

Please accept the original and the copies for filing. Please acknowledge your receipt of these documents by file stamping the enclosed copy of this transmittal letter to reflect the date of filing, and then return the file stamped copy of this letter to our courier.

As directed by the Commission in Order No. 2005-158 dated April 15, 2005, also enclosed is the form of a proposed Notice of Filing for this application.

(continued ...)

173725
ACCEPTED
Legal 3-08 4-26-05

RECEIVED
2005 APR 26 AM 10:28
SC PUBLIC SERVICE
COMMISSION

The Honorable Charles Terreni
April 26, 2005
Page 2 of 2

If there are any questions regarding this matter, please advise. Otherwise, South Carolina Electric & Gas Company will await your instructions regarding notice requirements and further processing of this application.

Very truly yours,

Willoughby & Hoefer, P.A.

A handwritten signature in black ink that reads "Mitchell Willoughby". The signature is written in a cursive, flowing style.

Mitchell Willoughby

enclosure

cc: Dan F. Arnett, Chief of Staff
Office of Regulatory Staff
Mr. Kenneth R. Jackson
Belton T. Zeigler, Esquire
Catherine D. Taylor, Esquire

RECEIVED

2005 APR 26 AM 10:28

SC PUBLIC SERVICE
COMMISSION

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2005-113-G

In Re: Application of South Carolina)	
Electric & Gas Company for)	APPLICATION
Adjustments in the Company's)	
Natural Gas Rate Schedules and)	
<u>Tariffs</u>)	

STATE OF SOUTH CAROLINA)	BEFORE THE
)	PUBLIC SERVICE COMMISSION
COUNTY OF RICHLAND)	OF SOUTH CAROLINA
)	DOCKET NO. 2005-113-G
)	
In Re: Application of South Carolina)	
Electric & Gas Company for)	APPLICATION
Adjustments in the Company's)	
Natural Gas Rate Schedules and)	
<u>Tariffs</u>)	

Pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, South Carolina Electric & Gas Company (the "Company" or "SCE&G") hereby notifies the Public Service Commission of South Carolina (the "Commission") of proposed changes in its rates, charges, and tariffs for natural gas service and respectfully requests that the proposed rates, charges, and tariffs be approved by the Commission. The Company proposes that rates reflecting the requested increase be effective for bills rendered on and after November 1, 2005.

SCE&G elects to have the rates established in this proceeding to come under the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina. SCE&G requests that the Commission make the specific findings required by Section 58-5-420 of that Act.

The proposed rate adjustments are based upon the following facts:

1. The Commission was notified on March 15, 2005, of the Company's intent to file this Application.
2. The Company is a natural gas distribution utility operating in 34 counties in the central and southern areas of South Carolina and engaged in the distribution and sale of natural gas to the public for compensation.

3. The rates and charges now in effect for natural gas service, exclusive of changes in elements of the rate subject to the purchased gas adjustment (“PGA”) or the Environmental Clean-Up Cost component (“ECC”), were approved by the Commission Order No. 89-1074, issued November 30, 1989 in Docket No. 89-245-G. The test period in that proceeding was the 12 months ended March 31, 1989.
4. In the intervening 16 years, SCE&G has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. During that 16 year period, the number of natural gas customers served by the Company has increased by 39% from approximately 203,000 to 282,000, the miles of gas mains operated by the Company have increased by 46% from approximately 4,667 miles to 6,800 miles, and the producer price index has risen by over 30%. During that period, the Company also made substantial investments to replace aging natural gas infrastructure in its core urban areas, much of which was originally installed early in the last century.
5. In its Order No. No. 89-1074, the Commission found that 10.48% was a fair and reasonable return on the Company's investment in its firm gas operations and found that a reasonable and compensatory Return on Equity for the Company’s firm gas operations would be 12.75%. Due to changed

circumstances in economic markets, in Order No. 91-971 SCE&G agreed to lower its allowed rate of return on common equity for firm gas operations ("ROE") to 12.25%.

6. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of long-term debt and preferred equity such that the Company's Return on Equity for the adjusted test period was a negative 1.11%. The Company's earnings on its investment are non-compensatory and unreasonable and will continue to decline without the increased revenue produced by the proposed rates and charges herein.
7. For the Company to be able to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.
8. The Company requests that proposed rates and charges representing an increase in revenues of approximately \$28,482,731 be effective for bills rendered on and after November 1, 2005. The proposed rates and charges would permit the Company the opportunity to earn a return on common equity of 11.75%. The additional revenues are necessary to permit the

Company to meet its reasonable operating expenses, to provide a reasonable opportunity to earn a fair rate of return as authorized by the Commission, and to continue to attract capital on reasonable terms.

9. The requested increase in the Company's revenue is 7.09%.
10. In order to provide additional rate stability, and reduce variability in recovery of fixed costs, the Company is proposing to recover the majority of the required increase through an increase in its monthly Basic Facilities Charges. Those charges would be:
 - a. Residential Standard Service (per month)
 - i. November-March \$10.75
 - ii. April-October \$5.75
 - b. Residential Value Service (per month)
 - i. Year Round \$8.25
 - c. General Service (per month)
 - i. November-March \$15.50
 - ii. April-October \$9.50
 - d. Medium General Service (per month)
 - i. Year Round \$25.00
11. Attached to this Application are rates under an alternative rate design indicating the increases that the Company would request if the Commission

decides to adopt a rate design involving a lower increase in the Basic Facilities Charges. The Company requests that these alternative rates be included in the public and customer notices of the Application to ensure that lack of notice does not limit the Commission's flexibility in considering the request that the majority of the increase be directed to the Basic Facilities Charge.

12. SCE&G is proposing to terminate the collection of the Environmental Clean-Up Cost component, approved in Order No. 94-1117 dated October 27, 1994, which is related to the environmental investigation, monitoring and clean up of sites associated with SCE&G's now-retired Manufactured Gas Plant ("MGP") operations. SCE&G proposes to treat certain groundwater monitoring, pumping, and treatment expenses as operating and maintenance expenses and to continue to defer and collect other MGP related environmental costs in regulatory asset accounts. The Company proposes to collect and amortize these MGP environmental costs through base rates, which are now subject to annual adjustment and review pursuant to the Natural Gas Rate Stability Act, Section 58-5-400 et seq. of the Code of Laws of South Carolina. The Company requests that rates established in this proceeding reflect a fixed annual amortization of these expenses in the amount of \$1,428,827 which constitutes a reduction in the amount to be

amortized annually of \$648,108.

13. SCE&G also proposes to maintain the market-based pricing flexibility under its Interruptible Sales Program –Rider (“ISPR”) but allocate gas commodity supplies to interruptible customers on a more uniform basis. As part of this change, and to create a more direct and transparent mechanism for passing interruptible margins through to firm customers, SCE&G proposes to credit its net margin revenues from interruptible sales to the monthly cost of gas calculation for firm customers, net of an amount equal to \$0.02081/therm which SCE&G proposes to be treated as a contribution to the fixed cost of gas operations, thereby defraying the cost of providing service to interruptible customers
14. SCE&G proposes to account for revenue generated by the future release of SCE&G’s upstream transportation and storage assets at such time as its upstream supplier unbundles its merchant service. SCE&G proposes allocating 75% of net proceeds of those releases as a credit to the monthly cost of gas calculation for firm customers. Consistent with the Commission’s treatment of similarly situated gas distribution utilities, SCE&G is proposing that 25% of the net proceeds of these sales flow to SCE&G outside of regulated revenues as an incentive for effectively realizing the value of these assets.

15. SCE&G proposes to adjust its composite depreciation rates as set forth in Exhibit D-V attached hereto and to book depreciation going forward by individual plant account as set forth in the depreciation study to be filed as an attachment to the testimony of the Company's depreciation expert.
16. SCE&G proposes that all accounting and pro forma adjustments set forth in the Exhibits attached hereto be adopted for rate making and reporting purposes in this proceeding.
17. SCE&G further requests that all changes in rates and tariffs set forth in the Exhibits attached hereto be approved in this proceeding. This request includes, but is not limited to, the following delineated changes:
 - (A) SCE&G proposes to create a new rate for Residential Value Service to reflect the benefit to its gas distribution system of those residential customers who use substantial quantities of gas during the summer months. The Residential Value Service Rate will be available to residential customers who used at least 10 therms per month on average during the months of June, July and August of the preceding year.
 - (B) SCE&G proposes to split the current Firm General Service Rate into General Service and Medium General Service Rates. The Medium General Service Rate will be available to commercial and industrial

customers who used at least 130 therms per month on average during the months of June, July and August of the preceding year. A customer who chooses the Medium General Service Rate must agree to remain on the rate for a minimum of 12 months.

- (C) SCE&G proposes to close Rate 36, Gas Lighting, and the Gas Air Conditioning Rider for Rates 31, 32 and 34 to new installations as of the effective date of the revised rates. Existing customers would not be affected by the closing of these rates to new installations.
- (D) SCE&G proposes to add a seasonal block charge on all Residential, Medium General Service and General Service Rates such that customers who terminate service during the non-heating season and reconnect before the heating season must pay the basic facilities charges accrued during the intervening months.

- 18. The exhibits attached to and incorporated in this Application are as follows:
 - a. Exhibit A. The schedules of the Company's gas rates and charges in effect and filed with the Commission at the time of the filing of this Application, and the currently approved General Terms and Conditions for the Company's gas operations.
 - b. Exhibit B. The schedules of gas rates and charges the Company proposes to put into effect for bills rendered on and after November 1,

2005 along with a statement of alternative rates and charges.

- c. Exhibits C1 and C2. The proposed General Terms and Conditions for the Company's gas operations. Exhibit C1 is a "red-lined" version of SCE&G's currently approved General Terms and Conditions which shows additions and deletions proposed by the Company. Exhibit C2 is a copy of the proposed General Terms and Conditions.
- d. Exhibit D. The financial data for the 12-month period ended December 31, 2004, filed in compliance with 26 S.C. Code Ann. Reg. 103-834, as amended.

19. All pleadings, correspondence and communication relating to this Application should be addressed to the following, who are authorized representatives to accept service on behalf of the Company.

Catherine D. Taylor
Associate General Counsel
South Carolina Electric & Gas Company
Columbia, South Carolina 29218
(803) 217-9356

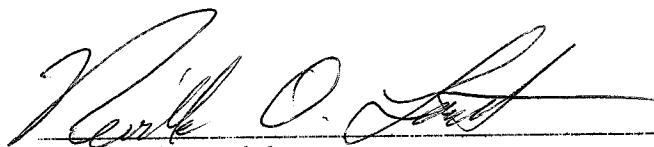
Mitchell Willoughby
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
(803) 252-3300

Belton T. Zeigler
Haynsworth Sinkler Boyd, P.A.
Post Office Box 11889
Columbia, South Carolina 29211
(803) 779-3080

WHEREFORE, South Carolina Electric & Gas Company prays that the Commission approve the revised rate schedules and proposed General Terms and Conditions attached hereto, and grant SCE&G such further, different or other relief as may be warranted.

SCE&G specifically requests that the Commission, if the evidence as it appears in the hearings and other proceedings concerning this application so allows, approve rates which are higher than those proposed here, or to otherwise change SCE&G's terms, conditions and classifications of service. SCE&G specifically gives notice to interested parties that the rates which result from this Application may exceed those set forth herein.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Neville O. Lorick", written over a horizontal line.

Neville O. Lorick
President and Chief Operating Officer
South Carolina Electric & Gas Company


STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) VERIFICATION

PERSONALLY APPEARED before me, Neville O. Lorick, President and Chief Operating Officer, South Carolina Electric & Gas Company, who, being first duly sworn, deposes and says that he has read the foregoing Application for Retail Gas Rate Adjustment and the matters alleged therein are true within his own knowledge; and that he is fully authorized and has capacity to sign the aforesaid pleading and to verify the contents thereof.


Neville O. Lorick

SWORN TO before me this

26nd day of April, 2005

 (L.S.)
Notary Public for South Carolina

My Commission Expires: Sept. 13, 2011

EXHIBIT A

SOUTH CAROLINA ELECTRIC & GAS COMPANY CURRENT GAS RATE SCHEDULES

**Listed are the current
gas rate schedules
included as follows:**

Rate	31
	32
	34
	35
	36

**Rider to Rate 31, 34, 32 (Service for Air
Conditioning**

Purchased Gas Adjustment Firm Only

**Service for Air Conditioning (Gas Cost
Determination)**

Weather Normalization Adjustment (WNA)

**Service For Compressed Natural Gas Vehicles
(Gas Cost Determination)**

General Terms and Conditions

RATE 31

FIRM GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements on a peak day of less than 500 therms and using the Company's service for general commercial, industrial, agricultural, religious or charitable purposes. Only for residential where more than one dwelling unit is supplied through one meter. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge:	\$	8.50
Plus Commodity Charge:		
Billing Months of November-April		
First 130 therms @	\$ 1.13866	per therm
Excess over 130 therms @	\$ 1.20457	per therm
Billing Months of May-October		
First 130 therms @	\$ 1.13866	per therm
Excess over 130 therms @	\$ 1.07276	per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for gas lighting will be billed the rate per month as stated above excluding the basic facilities charge.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above include: (a) gas costs of \$.90347 per therm and (b) environmental liability recovery of \$.008 per therm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. The peak day requirement contained in the Availability will be determined in the same manner as the determination of the category for curtailment of retail customers. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective for bills rendered on and after
the first billing cycle of November 2004

RATE 32

FIRM RESIDENTIAL SERVICE

AVAILABILITY

Available only to residential customers using the Company's service in private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge: \$ 3.00

Plus Commodity Charge:

Billing Months of November-April

First 25 therms @ \$ 1.13215 per therm

Excess over 25 therms @ \$ 1.19742 per therm

Billing Months of May-October

First 25 therms @ \$ 1.13215 per therm

Excess over 25 therms @ \$ 1.06691 per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for gas lighting will be billed the rate per month as stated above excluding the basic facilities charge.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above include: (a) gas costs of \$.90347 per therm and (b) environmental liability recovery of \$.008 per therm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective for bills rendered on and after
the first billing cycle of November 2004

RATE 34

LARGE FIRM GENERAL SERVICE

AVAILABILITY

Available only to those customers having a maximum daily quantity of at least 50 Dekatherms and using the Company's service for industrial manufacturing or large commercial operations. It is not available for resale service.

MAXIMUM DAILY QUANTITY (MDQ)

The actual MDQ shall be the greatest amount of gas delivered to the customer during any day (8:00 a.m. to 8:00 a.m.) of the current billing month. If the customer's present metering equipment does not include recording device metering, the customer's MDQ may be determined, at the Company's option, by measurement, by assessment after test, by estimation or by contract. When a customer's MDQ is estimated, it shall be the MDQ resulting from dividing the total Dekatherms of gas used during the billing month by the number of days in that billing month and then multiplying that result by 1.5.

RATE PER MONTH

Monthly Demand Charge:

First	50 Dekatherms @	\$ 400.00	
Excess over 50 Dekatherms @		\$ 4.50	per Dekatherm
Commodity Charge @		\$10.2135	per Dekatherm

DETERMINATION OF BILLING DEMAND

- (a) **Billing Months of November-April:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- (b) **Billing Months of May-October:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above include: (a) gas costs of \$9.0347 per dekatherm and (b) environmental liability recovery of \$.080 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under a written contract, with a minimum initial term of one year and automatic extensions, unless terminated by either party in accordance with the terms of contract. In the event of a default to contract, this rate schedule and the General Terms and Conditions will constitute a contract for a term of six months. A separate written contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective for bills rendered on and after
the first billing cycle of November 2004

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 1 of 2)

AVAILABILITY

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum daily Quantity (MDQ) or greater and, who owns and delivers gas to the Company at an acceptable point of connection, for delivery by the Company to the customer's regular point of service.

Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under all other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

RATE PER MONTH

Transportation Service

Monthly Demand Charge:

First	50 Dekatherms @	\$ 400.00	
Excess over	50 Dekatherms @	\$ 4.50	per Dekatherm
Commodity Charge @		\$ 1.0897	per delivered Dekatherm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above includes environmental liability recovery of \$.080 per dekatherm and is subject to adjustment by order of the Public Service Commission of South Carolina.

Standby Service

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

Demand Charge @	\$ 6.00	per Dekatherm
Commodity Charge @	\$ 10.2135	per Dekatherm

(b) Billing Months of May-October:

Demand Charge @	None	
Commodity Charge @	\$ 10.2135	per Dekatherm

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above include: (a) gas costs of \$.0347 per dekatherm and (b) environmental liability recovery of \$.080 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

DELIVERED GAS QUANTITY

When separate metering is not feasible, the Company shall assume for billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for line loss and unaccounted for gas.

Effective for bills rendered on and after
the first billing cycle of November 2004

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 2 of 2)

DELIVERED GAS QUANTITY

The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the imbalance is such that the customer has received more gas than was delivered to the Company during the period under review, customer shall be billed for such as standby service. If the imbalance is such that the customer has received less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) delivery the excess gas to the customer, over the next calendar month succeeding the review, at such times as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.

LIABILITY

The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and all conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 36

RESIDENTIAL SUBDIVISION GAS LIGHTING

AVAILABILITY

This rate is available to customers using the Company's gas service for overhead lighting from existing gas mains. This rate schedule is not available for open flame fixtures.

RATE

All lighting service where fixtures are mounted on Company's ornamental poles which are a part of Company's distribution system will be charged for at the following rate per light.

<u>SIZE</u>	<u>Lamp Charges per Month</u>	<u>Average Therms Usage per Month</u>
Two Mantle fixture complete	\$ 21.20	15
Three Mantle fixture complete	\$ 27.63	22
Four Mantle fixture complete	\$ 34.25	29

ADJUSTMENT FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above include: (a) gas costs of \$.90347 per therm and (b) environmental liability recovery of \$.008 per therm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under written contract, with the initial term of contract of five years and, there after, for one-year periods until terminated by either party on ninety days written notice.

SPECIAL PROVISIONS

The company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective for bills rendered on and after
the first billing cycle of November 2004

RIDER TO RATES 31, 34 & 32

SERVICE FOR AIR CONDITIONING

(Page 1 of 2)

AVAILABILITY

This rider is available to those customers which have installed and are regularly operating a gas-fired central air cooling system or have installed and are regularly operating a gas-fired central combination air cooling and heating system. Service under this rider shall be available subject to the specifications below at customer's request and with Company certification of customer's installed gas-fired central air cooling system or gas-fired central combination air cooling and heating system. It is not available for resale service. At the company's discretion, service offered under this rider may be limited and applied only to those customers currently receiving service under this rider.

INDUSTRIAL AND COMMERCIAL, RATE 31 AND 34

METERING

The volume of gas used for service under this rider will be determined by separate metering equipment installed by the Company. All costs associated with the separate metering are borne by the customer.

Available to those customers qualifying for service under Firm General Service Rate 31.

SPECIFICATION A - Customer with gas-fired cooling systems.

RATE PER MONTH
(All Months)

Basic Facilities Charge: \$ 8.50

Commodity Charge:

All therms @ \$ 0.79349 per therm,
except that when the Commodity Cost of Purchased Gas as calculated according to the gas cost determination for service for air conditioning exceeds \$.34500 per therm, the Commodity Charge shall become the Commodity Cost of Purchase Gas plus \$.013 per therm, which includes environmental liability recovery at \$.008 per therm.

SPECIFICATION B - Customer with gas-fired Central combination air cooling and heating systems.

RATE PER MONTH
(During the Billing Months of May through October)

Basic Facilities Charge: \$ 8.50

Commodity Charge:

All therms @ \$ 0.79349 per therm,
except that when the Commodity Cost of Purchased Gas as calculated according to the gas cost determination for service for air conditioning exceeds \$.34500 per therm, the Commodity Charge shall become the Commodity Cost of Purchase Gas plus \$.013 per therm, which includes environmental liability recovery at \$.008 per therm.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 Dekatherm = 10 therms).

Available to those customers qualifying for service under Large Firm General Service Rate 34.

SPECIFICATION A - Customer with gas-fired cooling systems.

RATE PER MONTH
(All Months)

Commodity Charge:

All therms @ \$ 0.79349 per therm,
except that when the Commodity Cost of Purchased Gas as calculated according to the gas cost determination for service for air conditioning exceeds \$.34500 per therm, the Commodity Charge shall become the Commodity Cost of Purchase Gas plus \$.013 per therm, which includes environmental liability recovery at \$.008 per therm.

SPECIFICATION B - Customer with gas-fired Central combination air cooling and heating systems.

Option 1

RATE PER MONTH
(During the Billing Months of May through October)

Commodity Charge:

All therms @ \$ 0.79349 per therm,
except that when the Commodity Cost of Purchased Gas as calculated according to the gas cost determination for service for air conditioning exceeds \$.34500 per therm, the Commodity Charge shall become the Commodity Cost of Purchase Gas plus \$.013 per therm, which includes environmental liability recovery at \$.008 per therm.

RIDER TO RATES 31, 34 & 32

SERVICE FOR AIR CONDITIONING

(Page 2 of 2)

Option 2

RATE PER MONTH
(All Months)

Commodity Charge:

All therms @ \$0.93432 per therm,

Gas costs of \$.84198 per therm and environmental liability recovery at \$.008 per therm are included in the Commodity Charge above and may be adjusted by an amount not to exceed that authorized for the Adjustment for recovery of Gas Costs and environmental liabilities by order of the Public Service Commission of South Carolina.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

RESIDENTIAL RATE 32

Available only to residential customers qualifying for service under Firm Residential Service Rate 32 and having a gas-fired central air cooling system or gas-fired central combination air cooling and heating system using the Company's service in private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a gas-fired central air cooling system or a gas-fired central combination air cooling and heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of Rate 32.

SPECIFICATIONS A - Customer with gas-fired cooling systems.

RATE PER MONTH
(During the Billing Months of May through October)Basic Facilities Charge: \$ 3.00

Commodity Charge:

First 25 therms @ \$1.13215 per therm,

Gas costs of \$.90347 per therm and environmental liability recovery at \$.008 per therm are included in the Commodity Charge above and subject to adjustment by order of the Public Service Commission of South Carolina.

Excess over 25 therms @ \$0.79349 per therm,

except that when the Commodity Cost of Purchased Gas as calculated according to the gas cost determination for service for air conditioning exceeds \$.34500 per therm, the Commodity Charge shall become the Commodity Cost of Purchase Gas plus \$.013 per therm, which includes environmental liability recovery at \$.008 per therm.

SPECIFICATIONS B - Customer with gas-fired central combination air cooling and heating systems.

RATE PER MONTH
(All Months)Basic Facilities Charge: \$ 3.00

Commodity Charge:

All therms @ \$1.00717 per therm,

Gas costs of \$.83744 per therm and environmental liability recovery at \$.008 per therm are included in the Commodity Charge above and may be adjusted by an amount not to exceed that authorized for the Adjustment for recovery of Gas Costs and Environmental Liabilities by order of the Public Service Commission of South Carolina.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to commodity charges for the billing months of November - April will be made in accordance with the Weather Normalization Adjustment.

GENERAL

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERMS OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective for bills rendered on and after the first billing cycle of November 2004

SOUTH CAROLINA ELECTRIC & GAS

PURCHASED GAS ADJUSTMENT

APPLICABILITY

This adjustment is applicable to and is part of the Company's firm gas rate schedules 31, 32, 34, 35 and 36.

The Public Service Commission has determined that the costs of gas in an amount to the nearest one-thousandths of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission for the succeeding twelve months or shorter period:

$$\text{Where: Projected System Gas Cost} = \frac{(P-D)}{S} + \frac{B}{F} + \frac{G}{S} \quad 1$$

Projected System Gas Cost = Gas cost per therm for Rates 31, 32 and 36 included in base rates.

Gas cost per dekatherm for Rates 31, 34 and 35 included in base rates.

P = Total projected cost of natural gas (processed or unprocessed), vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, or other source of methane gas or any mixture of these gases entering the Company's system in dollars.

D = 1) The projected cost of gas attributable to all sales made by the Company to customers under an interruptible rate or contract where the customer has alternative fuel capability and has certified to the Company the as-fired price of its alternative fuel such that the Company could not supply gas at a price that is competitive and service is provided by the Company under the competitive pricing provisions of the rate contract; plus

2) The projected cost of gas attributable to all sales (excluding 25 therms per month under specification A for Rider to Rate 32 customers) made by the Company to customers that have installed and are regularly operating a gas-fired central air cooling system, or customers that have installed and are regularly operating a gas-fired central combination air cooling and heating system..

3) The projected cost of gas attributable to all sales made by the Company to customers utilizing compressed natural gas as a vehicle fuel.

4) The amount charged to Industrial Interruptible customers for Emergency Gas purchases above the allowed Commission approved margin, and the amount charged to Firm and Interruptible Industrial customers for Unauthorized Overrun Gas purchases.

S = Total projected sales of gas. Total projected sales being defined as those sales excluding gas sold under D above recorded on the Company's books in Accounts 480 through 483 per The Uniform System of Accounts for Class A and B Gas Utilities of the National Association of Regulatory Utility Commissioners (NARUC).

B = Total projected cost of peak shaving gas purchased, converted or manufactured entering the Company's system in dollars.

F = Total projected firm sales of gas, excluding gas sold under D above.

G = Cumulative difference between firm gas revenues billed and gas expenses at the end of the month preceding the projected period utilized in P and S.

S = Projected firm gas sales, excluding gas sold under D above, for the period covered by the gas costs included in P.
1

The appropriate revenue related tax factor is to be included in these calculations.

The cost of gas determined by South Carolina Public Service Commission Order through October 2005 is \$.90347 per therm.

for the period November 2004

**SERVICE FOR INDUSTRIAL AND COMMERCIAL AIR CONDITIONING
GAS COST DETERMINATION**

APPLICABILITY

This calculation is applicable to and is a part of the Company's Rider to Rates 31 Specification A&B and 34 Specification A&B Option 1 Service Air Conditioning, Commercial and Industrial.

GAS COST

The cost of gas per therm for the current month shall be determined (to the nearest thousandth of a cent) by this method:

Commodity Cost of Purchased Gas (CCOPG) (to the nearest thousandth of a cent) will be the greater of \$0.29 per therm or the Annual Weighted Average Cost of Gas (WACOG) excluding demand or capacity charges.

The appropriate revenue related tax factor is to be included in these calculations.

APPLICABILITY

This calculation below is applicable to and is a part of the Company's Rider to Rate 34 Service for Air Conditioning, Commercial and Industrial Specification B, Option 2.

GAS COST

The cost of gas per therm for the current month shall be determined (to the nearest thousandth of a cent) by this method:

Commodity Cost of Purchased Gas (CCOPG) (to the nearest thousandth of a cent) will be the greater of \$0.84198 per therm or the Annual Weighted Average Cost of Gas (WACOG) excluding demand or capacity charges.

The appropriate revenue related tax factor is to be included in these calculations.

**SERVICE FOR RESIDENTIAL AIR CONDITIONING
GAS COST DETERMINATION**

APPLICABILITY

This calculation below is applicable to and is a part of the Company's Rider to Rate 32 Service for Air Conditioning, Residential - Specification A.

GAS COST

The cost of gas per therm for the current month shall be determined (to the nearest thousandth of a cent) by this method:

Commodity Cost of Purchased Gas (CCOPG) (to the nearest thousandth of a cent) will be the greater of \$0.275 per therm or the Annual Weighted Average Cost of Gas (WACOG) excluding demand or capacity charges.

The appropriate revenue related tax factor is to be included in these calculations.

APPLICABILITY

This calculation below is applicable to and is a part of the Company's Rider to Rate 32 Service for Air Conditioning, Residential - Specification B.

GAS COST

The cost of gas per therm for the current month shall be determined (to the nearest thousandth of a cent) by this method:

Commodity Cost of Purchased Gas (CCOPG) (to the nearest thousandth of a cent) will be the greater of \$0.275 per therm or the Annual Weighted Average Cost of Gas (WACOG) excluding demand or capacity charges.

The appropriate revenue related tax factor is to be included in these calculations.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

WEATHER NORMALIZATION ADJUSTMENT

APPLICABILITY

This Weather Normalization Adjustment (WNA) is applicable to and is a part of the Company's firm gas rate schedules 31 and 32. The commodity charges per therm for each customer account during the billing months of November through April will be increased or decreased in an amount to the nearest one-thousandth of a cent, as derived by the following formula:

$$\text{WNA} = \frac{\text{WSL} \times \text{R}}{\text{ATH} - \text{BTH}}$$

$$\text{Where: WSL} = \frac{\text{ATH} - \text{BTH}}{\text{ADD}} \times (\text{NDD} - \text{ADD})$$

WNA = Weather Normalization Adjustment factor for a particular account expressed in dollars per therm.

WSL = Weather Sensitive Load which is the difference in the amount of therms that would have been consumed by the customer during normal weather and the amount of therms actually consumed.

R = Approved rate less cost of gas for applicable rate schedule determined as follows:

<u>Rate 31</u>	<u>Rate 32</u>
When weather is warmer than normal, that is NDD is greater than ADD: If ATH is greater than or equal to 130, then R = \$.29080. If ATH is less than 130 and a combination of ATH and WSL is less than or equal to 130, then R = \$.22489; otherwise R = \$.22489 for that portion of WSL between ATH and 130, and \$.29080 for the remaining portion of WSL.	When weather is warmer than normal, that is NDD is greater than ADD: If ATH is greater than or equal to 25, then R = \$.28365. If ATH is less than 25 and the combination of ATH and WSL is less than or equal to 25, then R = \$.21838; otherwise R = \$.21838 for that portion of WSL between ATH and 25, and \$.28365 for the remaining portion of WSL.
When weather is colder than normal, that is ADD is greater than NDD: If ATH is less than or equal to 130, then R = \$.22489. If ATH is greater than 130 and the combination of ATH and WSL is greater than 130, then R = \$.29080; otherwise R = \$.29080 for that portion of WSL between ATH and 130 and \$.22489 for the remaining portion of WSL.	When weather is colder than normal, that is ADD is greater than NDD: If ATH is less than or equal to 25, then R = \$.21838. If ATH is greater than 25 and the combination of ATH and WSL is greater than 25, then R = \$.28365; otherwise R = \$.28365 for that portion of WSL between ATH and 25 and \$.21838 for the remaining portion of WSL.

ATH = Actual therms consumed by customer during current billing period.

BTH = Base load therms which is the average of the therms consumed by customer during the previous billing months of June, July and August. If BTH is greater than ATH, then BTH will equal to ATH. If base load therms cannot be determined, then base load therms will be as follows:

Rate 31 - 99 therms
Rate 32 - 12 therms

NDD = Normal heating degree days during customer's billing period authorized by the Commission.

ADD = Actual heating degree days during customer's billing period.

The appropriate revenue related tax factor is to be included in these calculations.

Effective for bills rendered on and after
the first billing cycle of January 1993

**SERVICE FOR COMPRESSED NATURAL GAS VEHICLES
GAS COST DETERMINATION**

APPLICABILITY

This calculation is applicable to and is a part of the Company's Developmental Compressed Natural Gas Vehicle Service.

GAS COST

The cost of gas per therm for the current month shall be determined (to the nearest thousandth of a cent) by this method:

Commodity Cost of Purchased Gas (CCOPG) (to the nearest thousandth of a cent) will be the greater of \$0.29 per therm or the Annual Simple Average Cost of Gas (SACOG) excluding demand or capacity charges.

The appropriate revenue related tax factor is to be included in these calculations.

Effective for bills rendered on and after
the first billing cycle of November 2004

GENERAL TERMS AND CONDITIONS**I. GENERAL****A. Foreword**

1. In contemplation of the mutual protection of both South Carolina Electric & Gas company and its customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.
2. These Terms and Conditions are supplementary to the Rules and Regulations issued by the South Carolina Public Service Commission covering the operation of gas utilities in the State of South Carolina.
3. These Terms and Conditions may be supplemented for specific customers by contract.
4. South Carolina Electric & Gas Company is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to herein as "Commission".

B. Application

1. Provisions of these Terms and conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving gas service from Company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customer and Company. No contract may be transferred without the written consent of the Company.
2. **Term of Service**
The rates as prescribed by the Commission are based upon the supply of service to each individual Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.
3. **Terms and Conditions**
The Terms and Conditions contained herein are a part of every contract for service entered into by the Company and govern all classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.
4. **Statement by Agents**
No representative of the Company has authority to modify any rule of the Commission, provisions of Rate Schedules, or to bind the Company by any promise or representation contrary thereto.

II. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

- A. "Day" shall mean a period of twenty four (24) consecutive hours beginning at 8:00 a.m. eastern time or at such other hours as may be designated.
- B. "Month" shall mean the period between any two (2) regular readings of Company's meters which shall be not less than twenty-eight (28) days nor more than thirty-four (34) days.
- C. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.
- D. "BTU" shall mean a British Thermal Unit: the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1° F) at sixty degrees Fahrenheit (60° F).
- E. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.
- F. "Dekatherm" (dt) shall mean the quantity of heat energy which is 1,000,000 British Thermal Units.
- G. "Cubic Foot of Gas" shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60° F) and under an absolute pressure of fourteen and seventy-three hundredth pounds per square inch (14.73 psia).
- H. "CCF" shall mean one hundred (100) cubic feet of gas.
- I. "MCF" shall mean one thousand (1,000) cubic feet of gas.
- J. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, or other unconventional source of methane gas or any mixture of these gases.
- K. "Point of Connection" shall mean the outlet side of Company's measuring and regulating equipment.
- L. "Premises" shall mean a Customer's building or portion of a building and contiguous area.

III. CONDITIONS OF SERVICE**A. General**

The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing Customers by increasing the total system's firm load requirements above available supplies.

B. Heating Value

The heating value of the gas supplied will vary from time to time due to changes in the composition of the Company's sendout. The composition of gas sendout will consist of natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture in varying proportions depending upon the gas supply situation at any given time. The normal range of heating value will not be less than 950 nor more than 1,400 BTU per cubic foot of gas.

Cubic Feet shall be converted to therm equivalent, for billing, by application of a fraction, the numerator of which shall be the weighted average BTU content of gas entering the Company's system for the days representing the days in the billing cycle for the Customer and the denominator of which shall be 1,000. Where heating value by day is obtainable by means of a standard type of recording calorimeter, spectrometer, chromatograph or other approved instrument, then these daily values shall be used to convert cubic feet to the therm equivalent.

C. Installation Requirements

Before piping a premises or purchasing equipment, the Customer shall give the Company notice and shall ascertain from the Company the character of service available at such premises. The Company may specify the content and pressure of the gas to be furnished, the location of the meter, and the point where the service connection shall be made.

It is the standard practice of the Company to provide each priority of service for the Customer through a single metering point at each premises.

Where more than one service is required by the Customer, the Company will provide such additional service upon payment by the Customer to the Company of the charges above the cost of the first service. Each installation shall be a separate account.

All piping and equipment must be installed and maintained in accordance with the applicable codes and requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection at the meter assembly with the facilities of the Company. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunctions of Customer's equipment.

D. Connection/Reconnection

An inspection by the appropriate jurisdiction must be completed and presented to the Company by the Customer prior to connection or reconnection of gas service on any premises where gas has not previously been served, or where the gas piping has been modified or altered.

A responsible representative of the Customer must be present to admit Company Representative and accompany Company Representative during a connection/reconnection service visit.

A minimum of one natural gas appliance must be connected, operational and ready for use prior to connection/reconnection of gas service. An appliance or device which is found to be unsafe shall be disconnected and the service shall remain disconnected.

E. Limitations of Extensions

Service is supplied only where, in the opinion of the Company, adequate service is available or can be made available under the provisions of these rules.

The Company's obligation to extend its facilities is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the service to be supplied does not produce revenue sufficient to support the expenditure required to serve it, the Company will determine in each case the amount of payment and form thereof that may be required of the Customer.

The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering gas service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from government agencies and property owners to permit the installation, operation and maintenance of the Company's lines and facilities. The Customer in requesting or accepting service thereby grants the Company without charge necessary rights-of-way and privileges for its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way are required or necessary to enable Company to supply service to the Customer and the Customer also grants the Company the right to continue or extend the Company's facilities on, across, or under with necessary rights to serve other Customers.

Company will, subject to limitations stated in this Section III. E., and subject to the execution by the applicant and acceptance by Company of a service contract which includes a right-of-way agreement, furnish and install a service line along with standard appurtenances, such as shut-off valve, regulator and meter, and required service pipe up to 125 feet more or less without cost to the applicant.

F. Access to Customer's Premises

The Company shall at all reasonable times have the right to ingress and to egress from the premises of the Customer for any and all purposes connected with the delivery of service, or the exercise of any and all rights under the agreement.

G. Curtailment of Supply

The supply of service is subject to any orders of all duly constituted governmental authorities establishing any priority or limitation to service.

Notwithstanding other provisions of the Company's Rate Schedules, the availability of gas service thereunder may be limited or curtailed, due to an insufficient supply of gas available to the Company, in accordance with priorities of service established and ordered by the Commission. (See Section VII, Limitations or Curtailment and Section VIII, Force Majeure.)

H. Denial or Discontinuance of Service

The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants, or occupants of the premises served, for any loss, cost, damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:

1. In the event of a condition determined by the Company to be unsafe.
2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.
3. In the event of unauthorized or fraudulent use of Company's service.
4. Unauthorized adjustment of or tampering with Company's equipment.
5. Customer's failure to fulfill his contractual obligations.
6. For failure of the Customer to permit the Company reasonable access to its equipment.
7. For nonpayment of bill for service rendered provided that the Company has made reasonable efforts to affect collections.
8. For failure of the Customer to provide the Company with a deposit.
9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.
10. For failure of the Customer to comply with reasonable restrictions on the use of service.
11. The Company shall not furnish its service or continue its services to any applicant, who at the time of such application, is indebted or any member of his household is or was indebted under an undisputed bill for service, previously furnished such applicant, or furnished any other member of the applicant's household or business.
12. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premises.

The Company may discontinue service without notice for reasons (1), (2), (3), and (6) above. For the remainder of the reasons the Customer shall be allowed a reasonable time in which to correct any discrepancy.

I. Safety Requirements

The Company is required under Regulations of the Commission to lock gas meters in the off position whenever service to a customer is discontinued. The requirement to lock a gas meter is applicable when gas service is turned off at the request of the Customer or when a gas meter is found by the Company which has been turned off by the Customer or other unauthorized persons.

Restoration of gas service under these conditions will require a reconnection call to unlock the gas meter and restore gas service. The reconnection charge will be assessed for all such reconnection calls. The turning on or off of gas meters is to be done by authorized persons only.

J. Reconnection Charge

Where the Company has discontinued service for reasons listed in Section III. H. and III. I., the Customer is subject to a reconnection charge of \$25 in addition to any other charges due and payable to the Company. If a Customer requests that a reconnection be made after normal working hours, the charge is \$35. In cases where both electric and gas services are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

Where a Customer interrupts or terminates service and subsequently requests reconnection of service at the same premises, the reconnection charge will apply.

IV. Payment Terms**A. Obligation**

The Customer is responsible for all charges for gas furnished and for all charges under the agreement until the end of the terms thereof.

All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit up to an amount equal to the total actual bills of the highest two (2) consecutive months based on experience of the preceding twelve (12) months or portions of the year if on a seasonal basis.

B. Late Payment Charge

A late payment charge of one and one half percent (1 1/2%) will be added to any balance remaining twenty-five (25) days after the billing date.

C. Deposit

A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the preceding twelve (12) months or portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist: (1) the Customer's past payment record to the Company shows delinquent payment practice; (2) a new Customer cannot furnish either a letter of good credit from an acceptable source or an acceptable cosigner or guarantor on the Company's system to guarantee payment; (3) a Customer has no deposit and presently is delinquent in payments; (4) a customer has had his service terminated for nonpayment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of the deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.

D. Service Charge

The Company may make reasonable charges for work performed on the Customer's premises upon the Customer's request.

V. COMPANY'S LIABILITY

The Company will not be liable for damages or injuries sustained by Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's piping and equipment, or the piping and equipment of others on the Customer's premises. The Company will not be responsible for the use, care, or handling of service delivered to the customer after the same passes beyond the point of interconnection of the Company's facilities with that of the Customer. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction or Customer's equipment.

VI. MEASUREMENT OF SERVICE**A. Measurements**

The volume and total heating value of the gas delivered hereunder shall be determined as follows:

1. All volumes delivered shall be corrected to the pressure base of 14.73 psia and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
2. When orifice meters are used, volumes delivered shall be computed in accordance with the specification, formulae and tables published March 1978 as Gas Measurement Committee Report No. 3 of the American Gas Association, and any modifications and amendments thereto and shall include the use of flange connections.
3. Gas volumes will be adjusted for BTU content, pressure, temperature, supercompressibility, specific gravity and any other applicable factors.
4. The temperature of the gas shall be assumed to be 60° F unless Company elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.
5. The specific gravity of the gas shall be determined daily by a recording gravimeter or any other instrument of an industry acceptable standard manufacturer.
6. The total heating value of the gas delivered hereunder shall be determined by Company by using a standard type of recording calorimeter or other instrument of an industry acceptable standard manufacturer which shall be located on Company's system and/or its supplier's system, in order that the BTU content of gas delivered hereunder may be properly obtained.

B. Meter Testing on Request of Customer

The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise the Customer shall deposit the estimated cost of the test; said deposit shall not exceed \$15 without the approval of the Commission. The amount so deposited with the Company shall be refunded or credited to the Customer as part of the settlement of the disputed account if the meter is found, when tested, to register more than two percent (2%) fast or slow, otherwise the deposit shall be retained by the Company.

C. Adjustments for Inaccurate Meters

Where it is determined that the Company's meter is inaccurate or defective by more than two percent (2%) error in registration, bills shall be adjusted as follows:

1. Bills shall be increased or decreased accordingly, if the time at which the error first developed or occurred can be definitely determined.
2. If such time cannot be determined, corrections shall not be made for more than six (6) months.

VII. LIMITATIONS OR CURTAILMENTS

Notwithstanding other provisions of the Terms and Conditions and Rate Schedules of this tariff, the availability of gas service may be limited or curtailed due to operating conditions or any gas supply deficiency. During any period when operating conditions or gas supply deficiencies require limitations or curtailment, the Company shall curtail deliveries of gas without discrimination within priority of service categories established by the Commission as follows:

A. Definitions - The definitions of the term used in the Curtailment Plan are as follows:

1. **Residential** - Service to Customers which consists of direct natural gas usage in a residential dwelling of space heating, air conditioning, cooking, water heating, and other residential uses.
2. **Commercial** - Service to Customers engaged primarily in the sale of goods or services including institutions and local, state, and federal government agencies for uses other than those involving manufacturing or electric power generation.
3. **Industrial** - Service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
4. **Firm Service** - Service from Rate Schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruptions in case the supply to higher priority Customers is threatened.
5. **Interruptible Service** - Service from Rate Schedules or contracts under which Seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under Rate Schedules or contracts which expressly or impliedly require installation of alternate fuel capability.
6. **Plant Protection Gas** - Minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.
7. **Feedstock Gas** - Natural gas used as a raw material for its chemical properties in creating an end product.
8. **Process Gas** - Gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as applications requiring precise temperature controls and precise flame characteristics.
9. **Boiler Fuel** - Natural gas used as fuel for the generation of steam and internal combustion turbine engines for the generation of electricity.
10. **Alternate Fuel Capability** - A situation where an alternate fuel could have been utilized whether or not the facilities for such have actually been installed; provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if such fuel is unobtainable for serving fuel needs.
11. **Storage Injection Requirements** - Volumes required by the Company for injection into underground storage, including cushion gas and for liquification, including fuel used for injection and in liquification plants, or for such other storage projects which may be developed expressly for the protection of supply or high priority uses.
12. **Company Use Gas** - Fuel used in gas compression, propane-air plants, LNG plants, other gas needed by Company's facilities to furnish the requirements of Customers, together with unaccounted for gas, shall be considered for purposes of this curtailment plan to be in Category 1.
13. **Essential Human Needs** - Natural gas service, which, if denied, would cause shutdown of an operation resulting in closing of an establishment essential to maintaining the health and safety of the general public.
14. **Gas Supply Deficiency** - Any occurrence relating to Company's gas supply which causes company to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirements of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Company's gas supply.
15. **Emergency Service** - Supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

B. Curtailment For Gas Supply Deficiency

In the event of Gas Supply Deficiency on the Company's system, the Company shall require curtailment of service to Customer in accordance with the following procedure:

- (a) The Company shall order curtailment of sales made to Customers purchasing gas under the Company's Rate Schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is excepted from curtailment.
 1. Residential and small commercial Customers (less than 50 Dekatherms on a peak day) and essential human needs Customers where there is no installed or available alternate fuel capability.
 2. Large commercial direct flame requirements (20 Dekatherms or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs; and storage injection requirements.

- 3 A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.
 - 3 B. Firm commercial and industrial boiler fuel requirements up to 1,000 Dekatherms on a peak day.
 - 3 C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.
 - 3 D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.
 - 3 E. Interruptible requirements for direct flame applications which can utilize a fuel other than a gaseous fuel as an alternate.
 - 3 F. Interruptible requirements for boiler fuel use of less than 300 Dekatherms on a peak day.
 - 4. (LEFT BLANK INTENTIONALLY.)
 - 5. (LEFT BLANK INTENTIONALLY.)
 - 6. Interruptible boiler fuel requirements of 300 Dekatherms or more, but less than 1,500 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 - 7. Interruptible boiler fuel requirements of 1,500 Dekatherms or more, but less than 3,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 - 8. Interruptible boiler fuel requirements of 3,000 Dekatherms or more, but less than 10,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 - 9. Interruptible boiler fuel requirements of 10,000 Dekatherms or more on a peak day, where alternate fuel capabilities can meet such requirements.
 - 10. Natural gas requirements of Customers who have alternate fuel as their primary energy source, but use natural gas as a standby fuel.
- (b) Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).
A determination of the category in which a Customer is placed will be made each year based upon usage in the preceding twelve (12) months ending August 31 and/or current contract as of the same date. The placement of a Customer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve (12) months ending August 31 of the current year. Reclassification in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Customer will be notified of such reclassification prior to November 1 of the current year.
- (c) Where daily volumes are not available to make the determination of the 50/Dekatherms/day required in Section (b) of the Curtailment Plan, then the daily volume requirements shall be determined by taking the Dekatherms usage of the Customers for any month during the previous twelve (12) month period ending August 31 and dividing that month's use by the number of days during that specific billing cycle and multiplying the result by 1.5. By means of the average daily volume thus obtained, the Customer will be placed in the appropriate category. Where daily volumes for the peak month in the base period are available to make the required determination, then such volumes will be used.
- (d) Any new Customer added during any base period will be placed in the appropriate category by the Company in accordance with the best information available.

VIII. FORCE MAJEURE

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligation to provide service under its Rate Schedules or contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods washouts, arrest and restraints of government and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment structures, or lines of pipe (which maintaining, repairing or alteration shall, however be carried out in such manner as to cause the smallest practicable curtailments or interruption of deliveries of gas), freezing of wells or lines of pipe, partial or entire failure or depletion of gas wells, partial or complete curtailment of deliveries under Company's gas purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any cause other than those enumerated herein (whether of the kind enumerated or otherwise) not within the control of the person claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood

EXHIBIT B

SOUTH CAROLINA ELECTRIC & GAS COMPANY PROPOSED GAS RATE SCHEDULES

**Listed are the proposed
gas rate schedules
included as follows:**

Rate	31
	33
	32V
	32S
	34
	35
	36

**Rider to Rate 31, 34, 32 (Service for Air
Conditioning**

Purchased Gas Adjustment Firm Only

Weather Normalization Adjustment (WNA)

**Service For Compressed Natural Gas Vehicles
(Gas Cost Determination)**

Alternate Rates Sheet

RATE 31

GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements on a peak day of less than 500 therms and using the Company's service for general commercial, industrial, agricultural, religious or charitable purposes. Only for residential where more than one dwelling unit is supplied through one meter. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge:

November - April	\$ 15.50
May - October	\$ 9.50

Plus Commodity Charge:

All therms @ \$ 1.23147 per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$.81080 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. The peak day requirement contained in the Availability will be determined in the same manner as the determination of the category for curtailment of retail customers. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 33

MEDIUM GENERAL SERVICE

AVAILABILITY

Available only to those customers using the Company's service for firm general commercial, industrial, agriculture, religious or charitable purposes and for residential where more than one dwelling unit is supplied through one meter. Also, this rate schedule is only available where there is an average usage of at least 130 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge: \$ 25.00

Plus Commodity Charge:
All Therms @ \$ 1.18147 per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$.81080 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location. No contract shall be written for less than twelve (12) months.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective upon approval of the Public Service
Commission of South Carolina

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 1 of 2)

AVAILABILITY

This rate schedule is only available to residential customers that meet the special provisions as listed below and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge: \$ 8.25

Plus Commodity Charge:

All Therms @ \$ 1.18972 per therm

SPECIAL PROVISIONS

1. This rate schedule is available to those accounts where there is an average usage of at least 10 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three.
2. Therm usage during a billing month of other than 30 days, used to determine eligibility under this rate schedule, shall be adjusted to a 30 day billing period by application of a fraction, the numerator of which shall be 30 and the denominator of which shall be the actual number of days in the billing period.
3. The calculation as described in 1. above will be performed annually for each residential account. Accounts not meeting the standards of Rate 32V will be placed on Rate 32S beginning with the billing month of November of each year.
4. Availability of this rate schedule for new premises will be based on reasonably anticipated base load usage. Availability of this rate schedule for new accounts at existing premises will be based on the previous account's usage. If this usage is unavailable, the customer will be initially placed on Rate 32S Residential Standard Service.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

Effective upon approval of the Public Service
Commission of South Carolina

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 2 of 2)

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$ 87609 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective upon approval of the Public Service
Commission of South Carolina

RATE 32S**RESIDENTIAL STANDARD SERVICE****AVAILABILITY**

This rate schedule is only available to residential customers that are not eligible for rate schedule 32V Residential Value Service and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge:

November - April \$ 10.75

May - October \$ 5.75

Plus Commodity Charge:

All Therms @\$1.24972 per therm**WEATHER NORMALIZATION ADJUSTMENT**

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premises within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$87609 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 34

LARGE GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements and a maximum daily quantity (MDQ) of at least 50 Dekatherms or greater and using the Company's service for industrial manufacturing or large commercial operations. It is not available for resale service.

MAXIMUM DAILY QUANTITY (MDQ)

The actual MDQ shall be the greatest amount of gas delivered to the customer during any day (10:00 a.m. to 10:00 a.m.) of the current billing month.

RATE PER MONTH

Monthly Demand Charge:

First	50 Dekatherms @	\$ 500.00	
Excess over	50 Dekatherms @	\$ 6.00	per Dekatherm

Commodity Charge @ \$9.14585 per Dekatherm

DETERMINATION OF BILLING DEMAND

- (a) **Billing Months of November-April:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- (b) **Billing Months of May-October:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

MINIMUM CHARGE

The monthly minimum charge shall be the demand charge as determined above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$7.94250 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under a written contract, with a minimum initial term of one year with automatic extensions, unless terminated by either party in accordance with the terms of contract. In the event of a default to the contract, this rate schedule and the General Terms and Conditions will constitute a contract for a term of six months. A separate written contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective upon approval of the Public Service
Commission of South Carolina

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 1 of 2)

AVAILABILITY

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum daily Quantity (MDQ) or greater and, who owns and delivers gas to the Company at an acceptable point of connection, for delivery by the Company to the customer's regular point of service.

Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under all other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

RATE PER MONTH

Transportation Service

Monthly Demand Charge:

First	50 Dekatherms @	\$ 500.00
Excess over	50 Dekatherms @	\$ 6.00 per Dekatherm
Commodity Charge @		\$ 1.59920 per delivered Dekatherm

DETERMINATION OF BILLING DEMAND

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

(b) Billing Months of May-October:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The above commodity charge includes a transportation charge of \$.39585 per dekatherm.

Standby Service

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

Demand Charge @	\$ 6.00 per Dekatherm
Commodity Charge @	\$ 9.14585 per Dekatherm

(b) Billing Months of May-October:

Demand Charge @	None
Commodity Charge @	\$ 9.14585 per Dekatherm

MINIMUM CHARGE

The monthly minimum charge shall be the demand charges as determined above.

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$7.94250 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

DELIVERED GAS QUANTITY

When separate metering is not feasible, the Company shall assume for billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for line loss and unaccounted for gas.

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 2 of 2)

DELIVERED GAS QUANTITY

The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the imbalance is such that the customer has received more gas than was delivered to the Company during the period under review, customer shall be billed for such as standby service. If the imbalance is such that the customer has received less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) deliver the excess gas to the customer, over the next calendar month succeeding the review, at such times as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.

LIABILITY

The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and all conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 36

GAS LIGHTING

AVAILABILITY

EFFECTIVE NOVEMBER __, 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW APPLIANCE.

RATE

All lighting service where fixtures are mounted on Company's ornamental poles which are a part of Company's distribution system will be charged for at the following rate per light.

<u>SIZE</u>	<u>Lamp Charges per Month</u>	<u>Average Therms Usage per Month</u>
Two Mantle fixture complete	\$ 24.20	15
Three Mantle fixture complete	\$ 32.03	22
Four Mantle fixture complete	\$ 40.05	29

ADJUSTMENT FOR RECOVERY OF GAS COSTS AND ENVIRONMENTAL LIABILITIES

The commodity charges above include gas costs of \$.87609 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under written contract, with the initial term of contract of five years and, there after, for one-year periods until terminated by either party on ninety days written notice.

SPECIAL PROVISIONS

The company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RIDER TO RATES 31, 32V, 32S AND 34

SERVICE FOR AIR CONDITIONING

(Page 1 of 2)

AVAILABILITY

EFFECTIVE NOVEMBER __, 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW STRUCTURE.

This rider is available to those customers which have installed and are regularly operating a gas-fired central air cooling system or have installed and are regularly operating a gas-fired central combination air cooling and heating system. Service under this rider shall be available subject to the specifications below at customer's request and with Company certification of customer's installed gas-fired central air cooling system or gas-fired central combination air cooling and heating system. It is not available for resale service. At the company's discretion, service offered under this rider may be limited and applied only to those customers currently receiving service under this rider.

INDUSTRIAL AND COMMERCIAL, RATES 31, 33 AND 34

METERING

The volume of gas used for service under this rider will be determined by separate metering equipment installed by the Company. All costs associated with the separate metering are borne by the customer.

Available to those customers qualifying for service under General Service Rates 31 & 33.

SPECIFICATION A - Customer with gas-fired cooling systems.

RATE PER MONTH
(All Months)

Basic Facilities Charge: \$ 12.50

Commodity Charge:
All therms @ \$ 0.91080 per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$.81080 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SPECIFICATION B - Customer with gas-fired Central combination air cooling and heating systems.

RATE PER MONTH
(During the Billing Months of May through October)

Basic Facilities Charge: \$ 12.50

Commodity Charge:
All therms @ \$ 1.23147 per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$.81080 per therm and are subject to adjustment by order of the Public Service

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

Available to those customers qualifying for service under Large General Service Rates 34.

Rate 34G - Customer with gas-fired Central combination air cooling and heating systems.

RATE PER MONTH
(All Months)

Commodity Charge:
All therms @ \$ 0.88659 per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$.79425 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

RIDER TO RATES 31, 32V, 32S AND 34

SERVICE FOR AIR CONDITIONING

(Page 2 of 2)

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

RESIDENTIAL RATES 32V & 32S

Available only to residential customers qualifying for service under Firm Residential Service Rate 32V & 32S and having a gas-fired central air cooling system or gas-fired central combination air cooling and heating system using the Company's service in private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a gas-fired central air cooling system or a gas-fired central combination air cooling and heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of Rate 32V & 32S.

SPECIFICATION B - Customer with gas-fired central combination air cooling and heating systems.

RATE PER MONTH
(All Months)

Basic Facilities Charge:	\$ 8.25
Commodity Charge:	
All therms @	\$1.04582 per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$.87609 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to commodity charges for the billing months of November - April will be made in accordance with the Weather Normalization Adjustment.

GENERAL

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERMS OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective upon approval of the Public Service
Commission of South Carolina

SOUTH CAROLINA ELECTRIC AND GAS COMPANY PURCHASED GAS ADJUSTMENT FIRM GAS ONLY

A. Demand Charges:

$$\text{Demand Charges per Therm by Class} = \frac{[a-(b+c)] \times \text{Rate Class Percentages}^*}{\text{Firm Sales Therms \& Transp. Volumes by Rate Class}}$$

- (a) Capacity charges and reservation fees for transportation, storage and LNG.
- (b) Released capacity at 75% of the net compensation received from secondary market transactions. (See "Note-1" below)
- (c) Margin Revenue from interruptible rates above .02081¢ per therm. Margin Revenue is the total amount received for such sale less the commodity cost of gas determined in B below.

* The rate class percentages are (Residential Rate 32 -73.30%, General Rates 31, 33 & 36 -22.65% and Large General Rates 34 & 35 - 4.05%) as established in last rate case.

All calculations of Demand Charges by customer class shall be done on an aggregated basis, monthly. The full amount of any Demand Charge calculation shall be credited to the Purchased Gas Adjustment calculation, even if the credit results in a negative Demand Charge for that month.

NOTE-1: "Released Capacity" shall include all transactions which involve the use of gas transportation capacity rights, storage rights or similar off-system rights or assets owned by SCE&G, but only if the cost of those rights or assets is borne by firm gas customers in South Carolina. "Net value received" shall mean the gross compensation received from the "released capacity" transactions, less all transportation charges, taxes or other governmental charges, brokerage fees or commissions, or other costs or charges related to the transaction, including all costs incurred in purchasing natural gas supplies that form part of the transaction.

B. Firm Commodity Benchmark:

$$\text{Where: Firm Gas Cost per Therm} = \frac{(p-d)}{s}$$

- (p) Total variable cost of natural gas (processed or unprocessed), vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, or other source of methane gas or any mixture of these gases entering the Company's system in dollars including any additions or subtractions from Price Risk Adjustment.
- (d) The cost of gas attributable to all sales made by the Company to customers under an interruptible rate or contract or any Special Market Priced Customers. (See "Note-2" Below)
- (s) Total firm therm sales of gas. Total sales being defined as those sales excluding gas sold under D above recorded on the Company's books in Accounts 480 through 483 per The Uniform System of Accounts for Class A and B Gas Utilities of the National Association of Regulatory Utility Commissioners (NARUC).

NOTE-2: Special Market Priced Gas includes, without limitation, Market Priced Gas sold to CNG customers under SCE&G's Developmental Rate for Compressed Natural Gas and Emergency Gas customers sold under tariff provisions providing for Emergency Gas sales.

Price volatility in gas commodity markets and intra-month variability in firm customers' gas demands may create circumstances which warrant an adjustment in the allocation of gas supply costs between customer classes to prevent anomalous results. For example, where interruptible sales are priced at the beginning of the month, and both intra-month prices and firm demand rise significantly during the month, the associated increase in the average cost of gas may result in a Firm Commodity Benchmark calculation that indicates interruptible sales to have been made at a negative margin. By the same token, falling prices intra-month may allow SCE&G to purchase supplies at prices lower than the Firm Commodity Benchmark and serve interruptible customers that were priced out of the market at the beginning of the month. In such cases, strict application of the Firm Commodity Benchmark formula would indicate a negative margin on these intra-month sales. In these and similar cases, in deriving the values for factor "d" in the Firm Commodity Benchmark Calculation, the Company may make reasonable adjustments in its allocation of gas supplies and their respective prices among firm and interruptible customer classes. Whenever SCE&G does so, it shall provide written notice thereof to the Commission and Office of Regulatory Staff within 30 days of adopting the adjustment to prices and volumes.

The appropriate revenue related tax factor is to be included in the calculation of Demand Charges and the Firm Commodity Benchmark.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
WEATHER NORMALIZATION ADJUSTMENT

APPLICABILITY

This Weather Normalization Adjustment (WNA) is applicable to and is a part of the Company's firm gas rate schedules 31, 32V, 32S, and 33. The commodity charges per therm for each customer account during the billing months of November through April will be increased or decreased in an amount to the nearest one-thousandth of a cent, as derived by the following formula:

$$\text{WNA} = \frac{\text{WSL} \times \text{R}}{\text{ATH} - \text{BTH}}$$

$$\text{Where: WSL} = \frac{\text{ATH} - \text{BTH}}{\text{ADD}} \times (\text{NDD} - \text{ADD})$$

WNA = Weather Normalization Adjustment factor for a particular account expressed in dollars per therm.

WSL = Weather Sensitive Load which is the difference in the amount of therms that would have been consumed by the customer during normal weather and the amount of therms actually consumed.

R = Approved rate less cost of gas for applicable rate schedule determined as follows:

<u>Rate 32V</u> R= \$.31363	<u>Rate 32S</u> R= \$.37363
<u>Rate 31</u> R= \$.42067	<u>Rate 33</u> R= \$.37067

ATH = Actual therms consumed by customer during current billing period.

BTH = Base load therms which is the average of the therms consumed by customer during the previous billing months of June, July and August. If BTH is greater than ATH, then BTH will equal to ATH. If base load therms cannot be determined, then base load therms will be as follows:

Rate 32V = 18 therms
Rate 31 = 19 therms

Rate 32S = 4 therms
Rate 33 = 739 therms

NDD = Normal heating degree days during customer's billing period authorized by the Commission.

ADD = Actual heating degree days during customer's billing period.

The appropriate revenue related tax factor is to be included in these calculations.

Effective upon approval of the Public Service
Commission of South Carolina

**SERVICE FOR COMPRESSED NATURAL GAS VEHICLES
GAS COST DETERMINATION**

APPLICABILITY

This calculation is applicable to and is a part of the Company's Developmental Compressed Natural Gas Vehicle Service.

GAS COST

The cost of gas per therm for the current month shall be determined (to the nearest thousandth of a cent) by this method:

Commodity Cost of Purchased Gas (CCOPG) (to the nearest thousandth of a cent) will be the greater of \$0.29 per therm or the Annual Simple Average Cost of Gas (SACOG) excluding demand or capacity charges.

The appropriate revenue related tax factor is to be included in these calculations.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

ALTERNATE RATES

The following is an alternative set of rates which if adopted would generate the same revenue as the rates proposed by the Applicant. These alternative rates reflect a rate design that involves a lower increase in the Basic Facilities Charges and a higher increase in the per therm charge. The Company requests that these alternative rates be included in the public and customer notices of the Application to ensure that lack of notice does not limit the Commission's flexibility in considering the request that the majority of the increase be directed to the Basic Facilities Charge. The alternative Basic Facilities Charges and per Therm Charges would be substituted into the rates and tariffs set forth above.

<u>Rate</u>	<u>Description</u>	<u>Monthly Basic Facilities Charge</u>		<u>All Therms @</u>
31	Small General Service	November-April May-October	\$13.50 \$7.50	\$1.24398
33	Medium General Service	Year Round	\$16.75	\$1.19398
32V	Residential Value	Year Round	\$6.00	\$1.24252
32S	Residential Standard	November-April May-October	\$7.00 \$5.00	\$1.30252
A31	Commercial A/C	Year Round	\$10.50	No Change
B31	Commercial A/C	Year Round	\$10.50	\$1.24398
B32	Residential A/C	Year Round	\$6.00	No Change

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
TERMS AND CONDITIONS – REDLINE**

EXHIBIT C1

GENERAL TERMS AND CONDITIONS**I. GENERAL****A. Foreword**

1. In contemplation of the mutual protection of both South Carolina Electric & Gas Company and its Customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.
2. These Terms and Conditions are supplementary to the Rules and Regulations issued by the South Carolina Public Service Commission covering the operation of gas utilities in the State of South Carolina.
3. These Terms and Conditions may be supplemented for specific customers by contract.
4. South Carolina Electric & Gas Company is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to herein as "Commission".

B. Application

1. Provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving gas service from the Company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customer and Company. No contract may be transferred without the written consent of the Company.
2. **Term of Service** – The rates as prescribed by the Commission are based upon the supply of service to each individual ~~Customers~~ Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.
3. **Terms and Conditions** – The Terms and Conditions contained herein are a part of every contract for service entered into by the Company and govern all classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.
4. **Statement by Agents** – No representative of the Company has authority to modify any rule of the Commission, provisions of Rate Schedules, or to bind the Company by any promise or representation contrary thereto.

II. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

- A. "Day" shall mean period of twenty-four (24) consecutive hours beginning at 10:00 a.m. ~~8:00 a.m.~~ eastern time or at such other hours as may be designated.

- B. "Month" or "Billing Month" shall mean the period between any two (2) regular readings of Company's meters which shall be not less than twenty-eight (28) days or more than thirty-four (34) days.
- C. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.
- D. "BTU" shall mean a British Thermal Unit: the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at sixty degrees Fahrenheit (60° F).
- E. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.
- F. "Dekatherm" (dt) shall mean the quantity of heat energy which is 1,000,000 British Thermal Units.
- G. "Cubic Foot of Gas" shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60° F) and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia).
- H. "CCF" shall mean one hundred (100) cubic feet of gas.
- I. "MCF" shall mean one thousand (1,000) cubic feet of gas.
- J. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, other unconventional source of methane gas or any mixture of these gases.
- K. "Point of Connection" shall mean the outlet side of Company's measuring and regulating equipment.
- L. "Premises" shall mean a Customer's building or a portion of a building and contiguous area.
- M. Typical delivery pressure to residential customers will be 7 inches water column or 2 psig. Commercial and Industrial customers will be provided at a delivery pressure of up to 5 psig. Any delivery pressure other than these must be requested in writing and approved by the Company. Only one delivery pressure will be provided per meter location.

III. CONDITIONS OF SERVICE

- A. **General** – The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing customers by increasing the total system's firm load requirements above available supplies.
- ~~B. **Heating Value** – The heating value of the gas supplied will vary from time to time due to changes in the composition of the Company's send out. The composition of gas sendout will consist of natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture in varying proportions depending upon the gas supply situation at any given time. The normal range of heating value will not be less than 950 nor more than 1,400 BTU per cubic foot of gas.~~

—The normal range of heating value will not be less than 950 nor more than 1400 Btu per cubic foot of gas.

Cubic Feet shall be converted to therm equivalent, for billing, by application of a fraction, the numerator of which shall be the weighted average BTU content of gas described in II.J. above entering the Company's system for the days representing the days in the billing cycle for the Customer and the denominator of which shall be 1,000. Where heating value by day is obtainable by means of a standard type of recording calorimeter, spectrometer, chromatograph or other approved instrument, then these daily values shall be used to convert cubic feet to the therm equivalent.

G.B. Installation Requirements – Before piping a premises or purchasing equipment, the Customer shall give the Company notice and shall ascertain from the Company the character of service available at such premises. The Company may specify the content and pressure of the gas to be furnished, the location of the meter, and the point where the service connection shall be made.

Where more than one service is required by the Customer, the Company will provide such additional service upon payment by the Customer to the Company of the charges above the cost of the first service. Each installation shall be a separate account.

All piping and equipment must be installed and maintained in accordance with the applicable codes and requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection at the meter assembly with the facilities of the Company. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction of Customer's equipment.

D.C. Connection/Reconnection – An inspection by the appropriate jurisdiction must be completed and presented to the Company by the Customer prior to connection or reconnection of gas service on any premises where gas has not previously been served, or inactive for an extended period of time or where the gas piping has been modified or altered or if an unsafe condition exists.

~~A-The responsible representative of the Customer or an adult representative~~ must be present to admit the Company Representative and ~~accompany Company Representative~~ during a connection/reconnection service visit.

A minimum of one natural gas appliance must be connected, operational and ready for use prior to connection/reconnection of gas service. An appliance or device which is found to be unsafe shall be disconnected and the service shall remain disconnected.

E.D. Limitations or Extensions – Service is supplied only where, in the opinion of the Company, adequate service is available or can be made available under the provisions of these rules.

The Company's obligation to extend its facilities is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the service to be supplied does not produce revenue sufficient to support the expenditure required to serve it, the Company will determine in each case the amount of payments and form thereof that may be required of the Customer.

The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering gas service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from government agencies and property owners, at the customers expense, to permit the installation, operation and maintenance of the Company's lines and facilities. The Customer in requesting or accepting service thereby grants the Company without charge necessary rights-of-way and privileges for its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way required or necessary to enable Company to supply service to the Customer and the Customer also grants the Company the right to continue or extend the Company's facilities on, across, or under with necessary rights to serve other Customers. Customers shall

maintain such right-of-way so as to grant the Company continued access to its facilities by Company vehicles and other power-operated equipment.

Company will, subject to limitations stated in this Section III.E., and subject to the execution by the applicant and acceptance by Company of a service contract which includes a right-of-way agreement, furnish and install a service line along with standard appurtenances, such as shut-off-valve, regulator and meter, and required service pipe up to 125 feet more or less without cost to the applicant.

F. Safe Access to Customer's Premises – The duly authorized representatives of the Company shall be permitted at any and all reasonable times to inspect, operate and maintain the Company's and the Customer's facilities and equipment for any and all purposes connected with the delivery of service, the determination of connected load and other data to be used for billing purposes, the determination of Customer load requirements or the exercise of any and all rights under the agreement.

~~**F.G. Access to Customer's Premises** – The Company shall at all reasonable times have the right to ingress and to egress from the premises of the Customer for any and all purposes connected with the delivery of service, or the exercise of any and all rights under the agreement.~~

Curtailment of Supply – The supply of service is subject to any orders of all duly constituted governmental authorities establishing any priority or limitation to service.

Notwithstanding other provisions of the Company's Rate Schedules, the availability of gas service thereunder may be limited or curtailed, due to an insufficient supply of gas available to the Company, in accordance with priorities of service established and ordered by the Commission. (See Section VII, Limitations or Curtailment and Section VIII, Force Majeure).

H. Denial or Discontinuance of Service – The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants, or occupant of the premises served, for any loss, cost damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:

1. In the event of a condition determined by the Company to be hazardous or dangerous, unsafe.
2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.
3. In the event of unauthorized or fraudulent use of Company's service.
4. Unauthorized adjustment of or tampering with Company's equipment.
5. Customer's failure to fulfill his contractual obligations.
6. For failure of the Customer to permit the Company reasonable access to its equipment.
7. For non-payment of bill for service rendered provided that the Company has made reasonable efforts to affect collections.
8. For failure of the Customer to provide the Company with a deposit.

9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.
10. For failure of the Customer to comply with reasonable restrictions on the use of service.
11. The Company shall not furnish its service or continue its services to any applicant, who at the time of such application, is indebted or any member of his household is or was indebted under an undisputed bill for service, previously furnished such applicant, or furnished any other member of the applicant's household or business.
12. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premises.

13. For the reason that the Customer's use of the utility service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof, or of the Commission.

The Company may discontinue service with notice for reasons (1), (2), (3) and (6) above. For the remainder of the reasons the Customer shall be allowed a reasonable time in which to correct any discrepancy.

Failure of the Company to terminate or suspend service at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right to later resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur. The Company shall not in any circumstances be liable to Customers or third parties for failure to terminate or suspend service to any Customer for any reason.

H. Safety Requirements – The Company is required under Regulations of the Commission to lock gas meters in the off position whenever service to a customer is discontinued. The requirement to lock a gas meter is applicable when gas service is turned off at the request of the Customer or when a gas meter is found by the Company which has been turned off by the Customer or other unauthorized persons.

Restoration of gas service under these conditions will require a reconnection call to unlock the gas meter and restore gas service. The reconnection charge will be assessed for all such reconnection calls. The turning on or off of gas meters is to be done by a person duly authorized by the Company only.

J. Reconnection Charge – Where the Company has discontinued service for reasons listed in **Section III. H. and III.I.**, the Customer is subject to a reconnection charge of \$25 in addition to any other charges due and payable to the Company. If a Customer requests that a reconnection be made after normal working hours, the charge is \$35. In cases where both electric and gas services are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

~~When a customer interrupts or terminates service and subsequently requests reconnection of service at the same premises, the reconnection charge will apply.~~ **K. Seasonal Block Charge** – A charge will apply for customers who disconnect service and

subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as a seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated on the tariffs. In determining the month of disconnection, any number of days disconnected

within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours as part of a seasonal block, an additional of \$20.00 will be added to the charges as calculated above.

IV. BILLING AND PAYMENT TERMS

A. General – The rates specified in the various service classifications are stated on a monthly basis. Unless extenuating circumstances prevent, the Company will read meters at regular monthly intervals and render bills accordingly. If for any reason a meter is not read, the Company may prepare an estimated bill based on the Customer's average use billed for the preceding 60 days or from other information as may be available. All such bills are to be paid in accordance with the standard payment terms., and are subject to adjustment on the basis of actual use of service as computed from the next reading taken by the Company's representative or for any circumstances known to have affected the quantity of service used. No more than one estimated bill shall be rendered within a 60-day period unless otherwise agreed to by the Customer or allowed by the Commission. All billing errors shall be adjusted in accordance with the Commission's Rules and Regulations.

A.—

A.B. Obligation – The customer is responsible for all charges for gas furnished and for all charges under the agreement until the end of the terms thereof.

All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

No Claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit up to an amount equal to the total actual bills of the highest two (2) consecutive months based on experience of the preceding twelve (12) months or portions of the year if on a seasonal basis.

B.C. Late Payment Charge – A late payment charge of one and one half percent (1 ½%) will be added to any balance remaining twenty-five (25) days after the billing date.

G.D. Deposit – A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the proceeding twelve (12) months or portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist: (1) the Customer's past payment record to the Company shows delinquent payment practice; (2) a new Customer cannot furnish either a letter of good credit from an acceptable source or an acceptable cosigner of guarantor on the Company's system to guarantee payment; (3) a Customer has no deposit and presently is delinquent in payments; (4) a Customer has had his service terminated for non-payment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.

E. Service Charge – The Company may make reasonable charges for work performed on or services rendered:

1. Upon Customer's request at the Customer's premises when, at the time the request is made, service and equipment provided by the Company is in good working condition and in compliance with these General Terms and Conditions and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises;
2. To repair, replace, remove, disconnect or gain access to Company's facilities or equipment where such repair, replacement removal or disconnection is made necessary by the willful action(s) of the Customer, members of the Customer's household or invitees of the Customer; or
3. To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the negligent failure of the Customer to take timely action to correct or to notify the Company or other responsible party to correct conditions which led to the needed repair, replacement or removal, except that such charges shall be apportioned between the Customer and the Company to the extent that the Customer shall only bear that part of the costs which reflect the costs added by the Customer's negligence. Such charges cannot be assessed where the damage is caused by an Act of God except to the extent that the Customer failed timely to mitigate the damages. Such charges may include labor, materials and transportation.

V. COMPANY'S LIABILITY

The Company will not be liable for damages or injuries sustained by Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's piping and equipment, or the piping and equipment of others on the Customer's premises. The Company will not be responsible for the use, care, or handling of service delivered to the customer after the same passes beyond the point of interconnection of the Company's facilities with that of the Customer. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction or Customer's equipment.

VI. MEASUREMENT OF SERVICE**A. Measurements** – The volume and total heating value of the gas delivered hereunder shall be determined as follows:

1. All volumes delivered shall be corrected to the pressure base of 14.73 psia and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
2. When orifice meters are used, volumes delivered shall be computed in accordance with accepted industry standards the specification, formulae and tables published March 1978 as Gas Measurement Committee Report No. 3 of the American Gas Association, and any modifications and amendments thereto and shall include the use of flange connections.
3. Gas volumes will be adjusted for BTU content, pressure, temperature, supercompressibility, specific gravity and any other applicable factors.

4. The temperature of the gas shall be assumed to be 60° F. unless Company elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.
5. The specific gravity of the gas shall be determined daily by a recording gravimeter or any other instrument of an industry acceptable standard manufacturer.
6. The total heating value of the gas delivered hereunder shall be determined by Company by using a standard type of recording calorimeter or other instrument of an industry acceptable standard manufacturer which shall be located on Company's system and/or its supplier's system, in order that the BTU content of gas delivered hereunder by be properly obtained.

B. Meter Testing on Request of Customer – The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise, the Customer shall deposit the estimated cost of the test; said deposit shall not exceed \$15 without the approval of the Commission. The amount so deposited with the Company shall be refunded or credited to the Customer as part of the settlement of the disputed account if the meter is found, when tested, to register more than two percent (2%) fast or slow, otherwise the deposit shall be retained by the Company.

G.C. Adjustments for Inaccurate Meters - ~~Where it is determined that the Company's meter is inaccurate or defective by more than two percent (2%) error in registration, bills shall be adjusted as follows:~~

- ~~1. Bills shall be increased or decreased accordingly, if the time at which the error first developed or occurred can be definitely determined.~~
- ~~2. If such time cannot be determined, corrections shall not be made for more than six (6) months.~~ Where it is determined that the Company's meter is inaccurate or defective by more than 2% error in registration, bills shall be adjusted in accordance with the Commission Rules and Regulations.

VII. LIMITATIONS OR CURTAILMENTS

Notwithstanding other provisions of the Terms and Conditions and Rate Schedules of this tariff, the availability of gas service may be limited or curtailed due to operating conditions or any gas supply deficiency. During any period when operating conditions or gas supply deficiencies require limitations or curtailment, the Company shall curtail deliveries of gas without discrimination within priority of service categories established by the Commission as follows:

A. Definitions - The definitions of the term used in the Curtailment Plan are as follows:

1. **Residential** - Service to Customers which consists of direct natural gas usage in a residential dwelling of space heating, air conditioning, cooking, water heating, and other residential uses.
2. **Commercial** – Service to Customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
3. **Industrial** – Service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into other form or product including the generation of electric power.

4. **Firm Service** – Service from Rate Schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruptions in case the supply to higher priority Customers is threatened.
5. **Interruptible Service** – Service from Rate Schedules or contracts under which Seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under Rate Schedules or contracts which expressly or impliedly require installation of alternate fuel capacity.
6. **Plant Protection Gas** – Minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.
7. **Feedstock Gas** - Natural gas used as a raw material for its chemical properties in creating an end product.
8. **Process Gas** - Gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as applications requiring precise temperature controls and precise flame characteristics.
9. **Boiler Fuel** – Natural gas used as fuel for the generation of steam and internal combustion turbine engines for the generation of electricity.
10. **Alternate Fuel Capacity** – A situation where an alternate fuel could have been utilized whether or not the facilities for such have actually been installed: provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if such fuel is unobtainable for serving fuel needs.
11. **Storage Injection Requirements** – Volumes required by the Company for injection into underground storage, including cushion gas and for liquification, including fuel used for injection in liquification plants, or for such other storage projects which may be developed expressly for the protection of supply or high priority uses.
12. **Company Use Gas** - Fuel used in gas compression, propane-air plants, LNG plants, other gas needed by Company's facilities to furnish the requirements of Customers, together with unaccounted for gas, shall be considered for purposes of this curtailment plan to be in Category 1.
13. **Essential Human Needs** - Natural gas service, which, if denied, would cause shutdown of an operation resulting in closing of an establishment essential to maintaining the health and safety of the general public.
14. **Gas Supply Deficiency** – Any occurrence relating to Company's gas supply which causes company to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirements of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Company's gas supply.
15. **Emergency Service** – Supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

B. Curtailment for Gas Supply Deficiency

In the event of Gas Supply Deficiency on the Company's system, the Company shall require ~~requirement~~ curtailment of service to Customer in accordance with the following procedure.

- (a) The Company shall order curtailment of sales made to Customers purchasing gas under the Company's Rate Schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is excepted from curtailment.

1. Residential and small commercial Customers (less than 50 Dekatherms on a peak day) and essential human needs Customers where there is no installed or available alternate fuel capability.
 2. Large commercial direct flame requirements (20 Dekatherms or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs, and storage injection requirements.
 - 3A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.
 - 3B. Firm commercial and industrial boiler fuel requirement up to 1,000 Dekatherms on a peak day.
 - 3C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.
 - 3D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.
 - 3E. Interruptible requirements for direct flame applications which utilize a fuel other than a gaseous fuel as an alternate.
 - 3F. Interruptible requirements for boiler fuel use of less than 300 Dekatherms on a peak day.
 4. (LEFT BLANK INTENTIONALLY.)
 5. (LEFT BLANK INTENTIONALLY.)
 6. Interruptible boiler fuel requirements of 300 Dekatherms or more, but less than 1,500 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 7. Interruptible boiler fuel requirements of 1,500 Dekatherms or more, but less than 3,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 8. Interruptible boiler fuel requirements of 3,000 Dekatherms or more, but less than 10,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 9. Interruptible boiler fuel requirements of 10,000 Dekatherms or more on a peak day, where alternate fuel capabilities can meet such requirements.
 10. Natural gas requirements of Customers who have alternate fuel as their primary source, but use natural gas as a standby fuel.
- (b) Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).

A determination of the category in which a Customer is placed will be made each year based upon usage in the preceding twelve (12) months ending August 31 and/or current contract as of the same date. The placement of a Customer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve (12) months ending August 31 of the current year. Reclassification in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Customer will be notified of such reclassification prior to November 1 of the current year.

- (c) Where daily volumes are not available to make the determination of the 50/Dekatherms/day required in Section (b) of the Curtailment Plan, then the daily volume requirements shall be determined by taking the Dekatherms usage of the Customers for any month during the previous twelve (12) month period ending August 31 and dividing that month's use by the number of days during that specific billing cycle and multiplying the result by 1.5. By means of the average daily volume thus obtained, the Customer will be placed in the appropriate category. Where daily volumes for the peak month in the

base period are available to make the required determination, then such volumes will be used.

- (d) Any new Customer added during any base period will be placed in the appropriate category by the Company in accordance with the best information available.

VIII. FORCE MAJEURE

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligation to provide service under its Rate Schedules or contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused by for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall include but not be limited to ~~mean~~ acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockade, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods washouts, arrest and restraints of government and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment structures, or lines of pipe (which maintaining, repairing or alteration shall, however be carried out in such manner as to reasonably minimize ~~because the smallest~~ practicable curtailments or interruption of deliveries of gas), freezing of wells or lines of pipe, partial or entire failure or depletion of gas wells, partial or complete curtailment of deliveries under Company's gas purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any cause other than those enumerated herein (whether of the kind enumerated or otherwise) not within the control of the person claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the persons affected, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is ~~un~~advisable in the discretion of the person affected thereby.

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
TERMS AND CONDITIONS – CLEAN**

EXHIBIT C2

GENERAL TERMS AND CONDITIONS**I. GENERAL****A. Foreword**

1. In contemplation of the mutual protection of both South Carolina Electric & Gas Company and its Customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.
2. These Terms and Conditions are supplementary to the Rules and Regulations issued by the South Carolina Public Service Commission covering the operation of gas utilities in the State of South Carolina.
3. These Terms and Conditions may be supplemented for specific customers by contract.
4. South Carolina Electric & Gas Company is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to herein as "Commission".

B. Application

1. Provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving gas service from the Company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customer and Company. No contract may be transferred without the written consent of the Company.
2. **Term of Service** – The rates as prescribed by the Commission are based upon the supply of service to each individual Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.
3. **Terms and Conditions** – The Terms and Conditions contained herein are a part of every contract for service entered into by the Company and govern all classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.
4. **Statement by Agents** – No representative of the Company has authority to modify any rule of the Commission, provisions of Rate Schedules, or to bind the Company by any promise or representation contrary thereto.

II. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

- A. "Day" shall mean period of twenty-four (24) consecutive hours beginning at 10:00 a.m. eastern time or at such other hours as may be designated.

- B. "Month" or "Billing Month" shall mean the period between any two (2) regular readings of Company's meters which shall be not less than twenty-eight (28) days or more than thirty-four (34) days.
- C. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.
- D. "BTU" shall mean a British Thermal Unit: the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at sixty degrees Fahrenheit (60° F).
- E. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.
- F. "Dekatherm" (dt) shall mean the quantity of heat energy which is 1,000,000 British Thermal Units.
- G. "Cubic Foot of Gas" shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60° F) and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia).
- H. "CCF" shall mean one hundred (100) cubic feet of gas.
- I. "MCF" shall mean one thousand (1,000) cubic feet of gas.
- J. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, other unconventional source of methane gas or any mixture of these gases.
- K. "Point of Connection" shall mean the outlet side of Company' measuring and regulating equipment.
- L. "Premises" shall mean a Customer's building or a portion of a building and contiguous area.
- M. Typical delivery pressure to residential customers will be 7 inches water column or 2 psig. Commercial and Industrial customers will be provided at a delivery pressure of up to 5 psig. Any delivery pressure other than these must be requested in writing and approved by the Company. Only one delivery pressure will be provided per meter location.

III. CONDITIONS OF SERVICE

- A. **General** – The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing customers by increasing the total system's firm load requirements above available supplies.

Heating Value – The normal range of heating value will not be less than 950 nor more than 1400 Btu per cubic foot of gas. Cubic Feet shall be converted to therm equivalent, for billing, by application of a fraction, the numerator of which shall be the weighted average BTU content of gas described in II.J. above entering the Company's system for the days representing the days in the billing cycle for the Customer and the denominator of which shall be 1,000. Where heating value by day is obtainable by means of a standard type of recording calorimeter, spectrometer, chromatograph or other approved instrument, then these daily values shall be used to convert cubic feet to the therm equivalent.

- B. Installation Requirements** – Before piping a premises or purchasing equipment, the Customer shall give the Company notice and shall ascertain from the Company the character of service available at such premises. The Company may specify the content and pressure of the gas to be furnished, the location of the meter, and the point where the service connection shall be made.

Where more than one service is required by the Customer, the Company will provide such additional service upon payment by the Customer to the Company of the charges above the cost of the first service. Each installation shall be a separate account.

All piping and equipment must be installed and maintained in accordance with the applicable codes and requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection at the meter assembly with the facilities of the Company. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction of Customer's equipment.

- C. Connection/Reconnection** – An inspection by the appropriate jurisdiction must be completed and presented to the Company by the Customer prior to connection or reconnection of gas service on any premises where gas has not previously been served, or inactive for an extended period of time or where the gas piping has been modified or altered or if an unsafe condition exists.

The Customer or an adult representative must be present to admit the Company Representative during a connection/reconnection service visit. A minimum of one natural gas appliance must be connected, operational and ready for use prior to connection/reconnection of gas service. An appliance or device which is found to be unsafe shall be disconnected and the service shall remain disconnected.

- D. Limitations or Extensions** – Service is supplied only where, in the opinion of the Company, adequate service is available or can be made available under the provisions of these rules.

The Company's obligation to extend its facilities is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the service to be supplied does not produce revenue sufficient to support the expenditure required to serve it, the Company will determine in each case the amount of payments and form thereof that may be required of the Customer.

The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering gas service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from government agencies and property owners, at the customers expense, to permit the installation, operation and maintenance of the Company's lines and facilities. The Customer in requesting or accepting service thereby grants the Company without charge necessary rights-of-way and privileges for its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way required or necessary to enable Company to supply service to the Customer and the Customer also grants the Company the right to continue or extend the Company's facilities on, across, or under with necessary rights to serve other Customers. Customers shall maintain such right-of-way so as to grant the Company continued access to its facilities by Company vehicles and other power-operated equipment.

Company will, subject to limitations stated in this Section III.E., and subject to the execution by the applicant and acceptance by Company of a service contract which includes a right-of-way agreement, furnish and install a service line along with standard appurtenances, such as shut-off-valve, regulator and meter, and required service pipe up to 125 feet more or less without cost to the applicant.

- F. Safe Access to Customer's Premises** – The duly authorized representatives of the Company shall be permitted at any and all reasonable times to inspect, operate and maintain the Company's and the Customer's facilities and equipment for any and all purposes connected with the delivery of service, the determination of connected load and other data to

be used for billing purposes, the determination of Customer load requirements or the exercise of any and all rights under the agreement.

G. Curtailment of Supply – The supply of service is subject to any orders of all duly constituted governmental authorities establishing any priority or limitation to service. Notwithstanding other provisions of the Company's Rate Schedules, the availability of gas service thereunder may be limited or curtailed, due to an insufficient supply of gas available to the Company, in accordance with priorities of service established and ordered by the Commission. *(See Section VII, Limitations or Curtailment and Section VIII, Force Majeure).*

H. Denial or Discontinuance of Service – The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants, or occupant of the premises served, for any loss, cost damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:

1. In the event of a condition determined by the Company to be hazardous or dangerous..
2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.
3. In the event of unauthorized or fraudulent use of Company's service.
4. Unauthorized adjustment of or tampering with Company's equipment.
5. Customer's failure to fulfill his contractual obligations.
6. For failure of the Customer to permit the Company reasonable access to its equipment.
7. For non-payment of bill for service rendered provided that the Company has made reasonable efforts to affect collections.
8. For failure of the Customer to provide the Company with a deposit.
9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.
10. For failure of the Customer to comply with reasonable restrictions on the use of service.
11. The Company shall not furnish its service or continue its services to any applicant, who at the time of such application, is indebted or any member of his household is or was indebted under an undisputed bill for service, previously furnished such applicant, or furnished any other member of the applicant's household or business.
12. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premises.
13. For the reason that the Customer's use of the utility service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof, or of the Commission.

The Company may discontinue service with notice for reasons (1), (2), (3) and (6) above. For the remainder of the reasons the Customer shall be allowed a reasonable time in which to correct any discrepancy.

Failure of the Company to terminate or suspend service at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right to later resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur. The Company shall not in any circumstances be liable to Customers or third parties for failure to terminate or suspend service to any Customer for any reason.

I. Safety Requirements – The Company is required under Regulations of the Commission to lock gas meters in the off position whenever service to a customer is discontinued. The requirement to lock a gas meter is applicable when gas service is turned off.

Restoration of gas service under these conditions will require a reconnection call to unlock the gas meter and restore gas service. The reconnection charge will be assessed for all such reconnection calls. The turning on or off of gas meters is to be done by a person duly authorized by the Company only.

J. Reconnection Charge – Where the Company has discontinued service for reasons listed in **Section III. H. and III.I.**, the Customer is subject to a reconnection charge of \$25 in addition to any other charges due and payable to the Company. If a Customer requests that a reconnection be made after normal working hours, the charge is \$35. In cases where both electric and gas services are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

K. Seasonal Block Charge – A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as a seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated on the tariffs. In determining the month of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours as part of a seasonal block, an additional of \$20.00 will be added to the charges as calculated above.

IV. BILLING AND PAYMENT TERMS

A. General – The rates specified in the various service classifications are stated on a monthly basis. Unless extenuating circumstances prevent, the Company will read meters at regular monthly intervals and render bills accordingly. If for any reason a meter is not read, the Company may prepare an estimated bill based on the Customer's average use billed for the preceding 60 days or from other information as may be available. All such bills are to be paid in accordance with the standard payment terms., and are subject to adjustment on the basis of actual use of service as computed from the next reading taken by the Company's representative or for any circumstances known to have affected the quantity of service used. No more than one estimated bill shall be rendered within a 60-day period unless otherwise agreed to by the Customer or allowed by the Commission. All billing errors shall be adjusted in accordance with the Commission's Rules and Regulations.

B. Obligation – The customer is responsible for all charges for gas furnished and for all charges under the agreement until the end of the terms thereof.

All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

No Claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit up to an amount equal to the total actual bills of the highest two (2) consecutive months based on experience of the preceding twelve (12) months or portions of the year if on a seasonal basis.

- C. Late Payment Charge** – A late payment charge of one and one half percent (1 ½%) will be added to any balance remaining twenty-five (25) days after the billing date.
- D. Deposit** – A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the proceeding twelve (12) months or portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist: (1) the Customer's past payment record to the Company shows delinquent payment practice; (2) a new Customer cannot furnish either a letter of good credit from an acceptable source or an acceptable cosigner or guarantor on the Company's system to guarantee payment; (3) a Customer has no deposit and presently is delinquent in payments; (4) a Customer has had his service terminated for non-payment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.
- E. Service Charge** – The Company may make reasonable charges for work performed on or services rendered:
1. Upon Customer's request at the Customer's premises when, at the time the request is made, service and equipment provided by the Company is in good working condition and in compliance with these General Terms and Conditions and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises;
 2. To repair, replace, remove, disconnect or gain access to Company's facilities or equipment where such repair, replacement removal or disconnection is made necessary by the willful action(s) of the Customer, members of the Customer's household or invitees of the Customer; or
 3. To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the negligent failure of the Customer to take timely action to correct or to notify the Company or other responsible party to correct conditions which led to the needed repair, replacement or removal, except that such charges shall be apportioned between the Customer and the Company to the extent that the Customer shall only bear that part of the costs which reflect the costs added by the Customer's negligence. Such charges cannot be assessed where the damage is caused by an Act of God except to the extent that the Customer failed timely to mitigate the damages. Such charges may include labor, materials and transportation.

V. COMPANY'S LIABILITY

The Company will not be liable for damages or injuries sustained by Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's piping and equipment, or the piping and equipment of others on the Customer's premises. The Company will not be responsible for the use, care, or handling of service delivered to the customer after the same passes beyond the point of interconnection of the Company's facilities with that of the Customer. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction or Customer's equipment.

VI. MEASUREMENT OF SERVICE

A. Measurements – The volume and total heating value of the gas delivered hereunder shall be determined as follows:

1. All volumes delivered shall be corrected to the pressure base of 14.73 psia and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
2. When orifice meters are used, volumes delivered shall be computed in accordance with accepted industry standards
3. Gas volumes will be adjusted for BTU content, pressure, temperature, supercompressibility, specific gravity and any other applicable factors.
4. The temperature of the gas shall be assumed to be 60° F. unless Company elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.
5. The specific gravity of the gas shall be determined daily by a recording gravimeter or any other instrument of an industry acceptable standard manufacturer.
6. The total heating value of the gas delivered hereunder shall be determined by Company by using a standard type of recording calorimeter or other instrument of an industry acceptable standard manufacturer which shall be located on Company's system and/or its supplier's system, in order that the BTU content of gas delivered hereunder be properly obtained.

B. Meter Testing on Request of Customer – The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise, the Customer shall deposit the estimated cost of the test; said deposit shall not exceed \$15 without the approval of the Commission. The amount so deposited with the Company shall be refunded or credited to the Customer as part of the settlement of the disputed account if the meter is found, when tested, to register more than two percent (2%) fast or slow, otherwise the deposit shall be retained by the Company.

C. Adjustments for Inaccurate Meters - Where it is determined that the Company's meter is inaccurate or defective by more than 2% error in registration, bills shall be adjusted in accordance with the Commission Rules and Regulations.

VII. LIMITATIONS OR CURTAILMENTS

Notwithstanding other provisions of the Terms and Conditions and Rate Schedules of this tariff, the availability of gas service may be limited or curtailed due to operating conditions or any gas

supply deficiency. During any period when operating conditions or gas supply deficiencies require limitations or curtailment, the Company shall curtail deliveries of gas without discrimination within priority of service categories established by the Commission as follows:

A. Definitions - The definitions of the term used in the Curtailment Plan are as follows:

1. **Residential** - Service to Customers which consists of direct natural gas usage in a residential dwelling of space heating, air conditioning, cooking, water heating, and other residential uses.
2. **Commercial** - Service to Customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
3. **Industrial** - Service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into other form or product including the generation of electric power.
4. **Firm Service** - Service from Rate Schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruptions in case the supply to higher priority Customers is threatened.
5. **Interruptible Service** - Service from Rate Schedules or contracts under which Seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under Rate Schedules or contracts which expressly or impliedly require installation of alternate fuel capacity.
6. **Plant Protection Gas** - Minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.
7. **Feedstock Gas** - Natural gas used as a raw material for its chemical properties in creating an end product.
8. **Process Gas** - Gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as applications requiring precise temperature controls and precise flame characteristics.
9. **Boiler Fuel** - Natural gas used as fuel for the generation of steam and internal combustion turbine engines for the generation of electricity.
10. **Alternate Fuel Capacity** - A situation where an alternate fuel could have been utilized whether or not the facilities for such have actually been installed: provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if such fuel is unobtainable for serving fuel needs.
11. **Storage Injection Requirements** - Volumes required by the Company for injection into underground storage, including cushion gas and for liquification, including fuel used for injection in liquification plants, or for such other storage projects which may be developed expressly for the protection of supply or high priority uses.
12. **Company Use Gas** - Fuel used in gas compression, propane-air plants, LNG plants, other gas needed by Company's facilities to furnish the requirements of Customers, together with unaccounted for gas, shall be considered for purposes of this curtailment plan to be in Category 1.
13. **Essential Human Needs** - Natural gas service, which, if denied, would cause shutdown of an operation resulting in closing of an establishment essential to maintaining the health and safety of the general public.
14. **Gas Supply Deficiency** - Any occurrence relating to Company's gas supply which causes company to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirements of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Company's gas supply.

15. Emergency Service – Supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

B. Curtailment for Gas Supply Deficiency

In the event of Gas Supply Deficiency on the Company's system, the Company shall require curtailment of service to Customer in accordance with the following procedure.

- (a) The Company shall order curtailment of sales made to Customers purchasing gas under the Company's Rate Schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is excepted from curtailment.
1. Residential and small commercial Customers (less than 50 Dekatherms on a peak day) and essential human needs Customers where there is no installed or available alternate fuel capability.
 2. Large commercial direct flame requirements (20 Dekatherms or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs, and storage injection requirements.
 - 3A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.
 - 3B. Firm commercial and industrial boiler fuel requirement up to 1,000 Dekatherms on a peak day.
 - 3C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.
 - 3D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.
 - 3E. Interruptible requirements for direct flame applications which utilize a fuel other than a gaseous fuel as an alternate.
 - 3F. Interruptible requirements for boiler fuel use of less than 300 Dekatherms on a peak day.
 4. (LEFT BLANK INTENTIONALLY.)
 5. (LEFT BLANK INTENTIONALLY.)
 6. Interruptible boiler fuel requirements of 300 Dekatherms or more, but less than 1,500 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 7. Interruptible boiler fuel requirements of 1,500 Dekatherms or more, but less than 3,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 8. Interruptible boiler fuel requirements of 3,000 Dekatherms or more, but less than 10,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 9. Interruptible boiler fuel requirements of 10,000 Dekatherms or more on a peak day, where alternate fuel capabilities can meet such requirements.
 10. Natural gas requirements of Customers who have alternate fuel as their primary source, but use natural gas as a standby fuel.
- (b) Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).

A determination of the category in which a Customer is placed will be made each year based upon usage in the preceding twelve (12) months ending August 31 and/or current contract as of the same date. The placement of a Customer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve (12) months ending August 31 of the current year. Reclassification in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Customer will be notified of such reclassification prior to November 1 of the current year.

- (c) Where daily volumes are not available to make the determination of the 50/Dekatherms/day required in Section (b) of the Curtailment Plan, then the daily volume requirements shall be determined by taking the Dekatherms usage of the Customers for any month during the previous twelve (12) month period ending August 31 and dividing that month's use by the number of days during that specific billing cycle and multiplying the result by 1.5. By means of the average daily volume thus obtained, the Customer will be placed in the appropriate category. Where daily volumes for the peak month in the base period are available to make the required determination, then such volumes will be used.
- (d) Any new Customer added during any base period will be placed in the appropriate category by the Company in accordance with the best information available.

VIII. FORCE MAJEURE

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligation to provide service under its Rate Schedules or contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused by for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall include but not be limited to acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockade, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods washouts, arrest and restraints of government and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment structures, or lines of pipe (which maintaining, repairing or alteration shall, however be carried out in such manner as to reasonably minimize practicable curtailments or interruption of deliveries of gas), freezing of wells or lines of pipe, partial or entire failure or depletion of gas wells, partial or complete curtailment of deliveries under Company's gas purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any cause other than those enumerated herein (whether of the kind enumerated or otherwise) not within the control of the person claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the persons affected, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected there

SOUTH CAROLINA ELECTRIC & GAS COMPANY

DOCKET NO. 2005-113-G

CONDENSED CONSOLIDATED (REGULATORY BASIS) BALANCE SHEET
As of December 31, 2004

CONDENSED CONSOLIDATED (REGULATORY BASIS) STATEMENT OF INCOME
For the Twelve Months Ended December 31, 2004

South Carolina Electric & Gas Company
Condensed Consolidated (Regulatory Basis) Balance Sheet
December 31, 2004
(Millions of Dollars)

Assets:

Utility Plant	6,695
Accumulated Depreciation and Amortization	(1,828)
	4,867
Construction Work in Progress	416
Nuclear Fuel, Net of Accumulated Amortization	42
Utility Plant, Net	5,325
Nonutility Property and Investments:	
Nonutility Property, Net of Accumulated Depreciation	27
Assets Held in Trust, Net – Nuclear Decommissioning	49
Other Investments	6
Nonutility Property and Investments, Net	82
Current Assets:	
Cash and Cash Equivalents	11
Receivables – Net of Allowance for Uncollectible Accounts of \$1	267
Receivables - Affiliated Companies	19
Inventories (at average cost):	
Fuel	30
Materials and supplies	62
Emission allowances	9
Prepayments	25
Total Current Assets	423
Deferred Debits:	
Environmental	11
Pension Asset, Net	285
Due from Affiliates-Pension and Postretirement Benefits	23
Other Regulatory Assets	365
Other	137
Total Deferred Debits	821
Total	\$6,651

South Carolina Electric & Gas Company
Condensed Consolidated (Regulatory Basis) Balance Sheet
December 31, 2004
(Millions of Dollars)

Capitalization and Liabilities:

Shareholders' Investment:	
Common Equity	2,164
Preferred Stock (Not Subject to Purchase or Sinking Funds)	106
Total Shareholders' Investment	2,270
Preferred Stock, Net (Subject to Purchase or Sinking Funds)	9
Long-Term Debt, Net	1,819
Total Capitalization	4,098
Current Liabilities:	
Short-Term Borrowings	153
Current Portion of Long-Term Debt	195
Accounts Payable	104
Accounts Payable - Affiliated Companies	123
Customer Deposits	26
Taxes Accrued	156
Interest Accrued	34
Dividends Declared	37
Other	49
Total Current Liabilities	877
Deferred Credits	
Deferred Income Taxes, Net	688
Deferred Investment Tax Credits	114
Asset Retirement Obligation-Nuclear Plant	124
Other Asset Retirement Obligations	336
Due to Affiliates - Pension and Postretirement Benefits	14
Postretirement Benefits	142
Other Regulatory Liabilities	184
Other	74
Total Deferred Credits	1,676
Total Capitalization and Liabilities	\$6,651

See Notes to Condensed Consolidated (Regulatory Basis) Financial Statements.

South Carolina Electric & Gas Company
Condensed Consolidated (Regulatory Basis) Statements of Income
For the Twelve Months Ended December 31, 2004
(Million of Dollars)

Operating Revenues:	\$1,692
Electric	397
Gas	<u>2,089</u>
Total Operating Revenues	
Operating Expenses:	393
Fuel Used in Electric Generation	168
Purchased Power (including affiliated purchases)	313
Gas Purchased for Resale	419
Other Operation and Maintenance	211
Depreciation and Amortization	126
Other Taxes	<u>1,630</u>
Total Operating Expenses	
Operating Income	<u>459</u>
Other Income:	1
Gain on Sale of Assets	24
Other Income (Loss), Including Allowance for Equity Funds of \$13	<u>25</u>
Total Other Income	
Income Before Interest Charges, Income Taxes and Preferred Stock Dividends	484
Interest Charges, Net of Allowance for Borrowed Funds Used	130
During Construction of \$9	<u>354</u>
Income Before Income Taxes and Preferred Stock Dividends	
Income Taxes	<u>122</u>
Net Income	232
Preferred Stock Cash Dividends	<u>(7)</u>
Earnings Available for Common Shareholder	<u>\$225</u>

See Notes to Condensed Consolidated (Regulatory Basis) Financial Statements.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
NOTES TO CONDENSED CONSOLIDATED (REGULATORY BASIS) FINANCIAL STATEMENTS
December 31, 2004
(Unaudited)

These regulatory basis financial statements include the accounts of South Carolina Electric & Gas Company (the Company) and South Carolina Fuel Company, Inc. (Fuel Company) only. They exclude the accounts of South Carolina Generating Company, Inc. which, under the provisions of Financial Accounting Interpretation (FIN) 46(R), would be consolidated with the Company in order for the financial statements to be in conformity with generally accepted accounting principles.

The following notes should be read in conjunction with the notes to the consolidated financial statements appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2004. In the opinion of management, the information furnished herein reflects all adjustments, all of a normal recurring nature, which are necessary for a fair statement of the results for the period reported on a regulatory basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company, a public utility, is a South Carolina corporation organized in 1924 and a wholly owned subsidiary of SCANA Corporation, a South Carolina corporation and a registered public utility holding company within the meaning of Public Utility Holding Company Act of 1935, as amended (PUHCA). The Company is engaged predominately in the generation and sale of electricity to wholesale and retail customers in South Carolina and in the purchase, sale and transportation of natural gas to retail customers in South Carolina.

The accompanying Condensed Consolidated (Regulatory Basis) Financial Statements reflect the accounts of the Company and Fuel Company, a wholly owned subsidiary of SCANA Corporation. Intercompany balances and transactions between the Company and Fuel Company have been eliminated in consolidation.

2. RATE AND OTHER REGULATORY MATTERS

With respect to rate and regulatory matters at December 31, 2004, reference is made to Note 2 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2004. No changes have occurred with respect to those matters as reported therein.

3. RETAINED EARNINGS

The Company's Restated Articles of Incorporation contain provisions that, under certain circumstances, could limit the payment of cash dividends on its common stock. In addition, with respect to hydroelectric projects, the Federal Power Act requires the appropriation of a portion of certain earnings therefrom. At December 31, 2004 approximately \$48 million of retained earnings were restricted by this requirement as to payment of cash dividends on common stock.

4. COMMITMENTS AND CONTINGENCIES

Reference is made to Note 10 to the consolidated financial statements appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2004. Commitments and Contingencies at December 31, 2004 include the following:

A. Lake Murray Dam Reinforcement

In 2001 the Company began construction to reinforce its Lake Murray Dam in order to comply with new federal safety standards mandated by FERC. Construction for the project and related activities is expected to cost approximately \$275 million (excluding AFC) and be completed in 2005. Costs incurred through December 31, 2004 totaled approximately \$240 million.

B. Nuclear Insurance

The Price-Anderson Indemnification Act (the Act) deals with public liability for a nuclear incident. Though the Act expired in 2003, existing licensees, such as the Company, are "grandfathered" under the Act until such time as it is renewed. The Act establishes the liability limit for third-party claims associated with any nuclear incident at \$10.8 billion. Each reactor licensee is currently liable for up to \$100.6 million per reactor owned for each nuclear incident occurring at any reactor in the United States, provided that not more than \$10 million of the liability per reactor would be assessed per year. SCE&G's maximum assessment, based on its two-thirds ownership of Summer Station, would be approximately \$67.1 million per incident, but not more than \$6.7 million per year.

The Company currently maintains policies (for itself and on behalf of Santee Cooper) with Nuclear Electric Insurance Limited. The policies, covering the nuclear facility for property damage, excess property damage and outage costs, permit retrospective assessments under certain conditions to cover insurer's losses. Based on the current annual premium, the Company's portion of the retrospective premium assessment would not exceed \$15.8 million.

To the extent that insurable claims for property damage, decontamination, repair and replacement and other costs and expenses arising from a nuclear incident at Summer Station exceed the policy limits of insurance, or to the extent such insurance becomes unavailable in the future, and to the extent that SCE&G's rates would not recover the cost of any purchased replacement power, the Company will retain the risk of loss as a self-insurer. The Company has no reason to anticipate a serious nuclear incident at Summer Station. If such an incident were to occur, it would have a material adverse impact on the Company's results of operations, cash flows and financial position.

C. Environmental

At the Company, site assessment and cleanup costs are deferred and amortized with recovery provided through rates. Deferred amounts, net of amounts previously recovered through rates and insurance settlements, totaled \$10.5 million at December 31, 2004. The deferral includes the estimated costs associated with the following matters.

The Company owns a decommissioned MGP site in the Calhoun Park area of Charleston, South Carolina. The site is currently being remediated for contamination. The Company anticipates that the remaining remediation activities will be completed by the end of 2005, with certain monitoring and other activities continuing until 2010. As of December 31, 2004, the Company has spent approximately \$20.5 million to remediate the Calhoun Park site, and expects to spend an additional \$1.3 million. In addition, SCE&G is party to certain claims for cost and damages from this site, for which claims the National Park Service of the Department of the Interior made an initial demand for payment of approximately \$9 million. Any costs arising from these matters are expected to be recoverable through rates under South Carolina regulatory processes.

The Company owns three other decommissioned MGP sites in South Carolina which contain residues of by-product chemicals. One of the sites has been remediated and will undergo routine monitoring until released by DHEC. The other two sites are currently being investigated under work plans approved by DHEC. The Company anticipates that major remediation activities for the three sites will be completed in 2010. As of December 31, 2004, the Company has spent approximately \$4 million related to these three sites, and expects to spend an additional \$4 million.

D. Claims and Litigation

On August 21, 2003, the Company was served as a co-defendant in a purported class action lawsuit styled as *Collins v. Duke Energy Corporation, Progress Energy Services Company, and South Carolina Electric & Gas Company*, in South Carolina's Circuit Court of Common Pleas for the Fifth Judicial Circuit. The plaintiffs are seeking damages for the alleged improper use of electric transmission and distribution easements but have not asserted a dollar amount for their claims. Specifically, the plaintiffs contend that the licensing of attachments on electric utility poles, towers and other facilities to non-utility third parties or telecommunication companies for other than the electric utilities' internal use along the electric transmission line right-of-way constitutes a trespass. The Company is confident of the propriety of the Company's actions and intends to mount a vigorous defense. The Company further believes that the resolution of these claims will not have a material adverse impact on its results of operations, cash flows or financial condition.

On May 17, 2004, the Company was served with a purported class action lawsuit styled as Douglas E. Gressette, individually and on behalf of other persons similarly situated, v. South Carolina Electric & Gas Company and SCANA Corporation. The case was filed in South Carolina's Circuit Court of Common Pleas for the Ninth Judicial Circuit. The plaintiff alleges the Company made improper use of certain easements and rights-of-way by allowing fiber optic communication lines and/or wireless communication apparatuses to transmit communications other than the Company's electricity-related internal communications. The plaintiff asserts causes of action for unjust enrichment, trespass, injunction and declaratory judgment. The plaintiff did not assert a specific dollar amount for the claims. The Company believes its actions are consistent with governing law and the applicable documents granting easements and rights-of-way. The Company intends to mount a vigorous defense and believes that the resolution of these claims will not have a material adverse impact on its results of operations, cash flows or financial condition.

A complaint was filed on October 22, 2003 against the Company by the State of South Carolina alleging that the Company violated the Unfair Trade Practices Act by charging municipal franchise fees to some customers residing outside a municipality's limits. The complaint alleged that the Company failed to obey, observe or comply with the lawful order of the SCPSC by charging franchise fees to those not residing within a municipality. The complaint sought restitution to all affected customers and penalties up to \$5,000 for each separate violation. The State of South Carolina v. SCE&G has been settled by an agreement between the parties, and the settlement has been approved by the court. The allegations are also the subject of a purported class action lawsuit filed in December 2003, against Duke Energy Corporation, Progress Energy Services Company and SCE&G (styled Edwards v. SCE&G). Duke Energy and Progress Energy have been voluntarily dismissed from the Edwards lawsuit. The Company believes that the resolution of these actions will not have a material adverse impact on its results of operations, cash flows or financial condition. In addition, the Company filed a petition with the SCPSC on October 23, 2003 pursuant to S. C. Code Ann. R.103-836. The petition requests that the SCPSC exercise its jurisdiction to investigate the operation of the municipal franchise fee collection requirements applicable to the Company's electric and gas service, to approve the Company's efforts to correct any past franchise fee billing errors, to adopt improvements in the system which will reduce such errors in the future, and to adopt any regulation that the SCPSC deems just and proper to regulate the franchise fee collection process.

The Company is also engaged in various other claims and litigation incidental to its business operations which management anticipates will be resolved without material loss to the Company.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
OPERATING EXPERIENCE - TOTAL GAS
12 MONTHS ENDED DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Line No.	Description	Regulatory Per Books	Pro-Forma Adjustments	Total As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1	<u>Operating Revenues</u>	<u>398,868,458</u>	<u>2,582,074</u>	<u>401,450,532</u>
2	<u>Operating Expenses</u>			
3	O&M Expenses - Cost of Gas	314,983,882	-	314,983,882
4	O&M Expenses - Other	48,488,663	1,649,403	50,138,066
5	Depreciation & Amortization Expenses	12,957,652	2,856,789	15,814,441
6	Taxes Other Than Income	12,013,204	1,380,704	13,393,908
7	Total Income Taxes	<u>1,077,693</u>	<u>(1,440,586)</u>	<u>(362,893)</u>
8	Total Operating Expenses	<u>389,521,094</u>	<u>4,446,310</u>	<u>393,967,404</u>
9	Operating Return	9,347,364	(1,864,236)	7,483,128
10	Interest on Customer Deposits	<u>(332,997)</u>	-	<u>(332,997)</u>
11	<u>Return</u>	<u>9,014,367</u>	<u>(1,864,236)</u>	<u>7,150,131</u>
12	<u>Rate Base</u>			
13	Gross Plant in Service	506,432,909	21,919,659	528,352,568
14	Reserve for Depreciation	<u>(210,950,890)</u>	<u>(4,505,358)</u>	<u>(215,456,248)</u>
15	Net Plant	295,482,019	17,414,301	312,896,320
16	Construction Work in Progress	6,678,977	(2,557,338)	4,121,639
17	Deferred Debits / Credits	(6,933,731)	15,821	(6,917,910)
18	Accumulated Deferred Income Taxes	(37,771,135)	-	(37,771,135)
19	Materials & Supplies	1,463,811	-	1,463,811
20	Total Working Capital	<u>(5,776,523)</u>	<u>206,175</u>	<u>(5,570,348)</u>
21	Total Rate Base	<u>253,143,418</u>	<u>15,078,959</u>	<u>268,222,377</u>
22	<u>Rate of Return</u>	3.56%		2.67%
23	<u>Return On Equity</u>	0.65%		-1.11%

SOUTH CAROLINA ELECTRIC & GAS COMPANY
OPERATING EXPERIENCE - TOTAL GAS
12 MONTHS ENDED DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Line No.	Description	As Adjusted	Proposed Increase	Total After Proposed Increase
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1	<u>Operating Revenues</u>	<u>401,450,532</u>	<u>28,482,732</u>	<u>429,933,264</u>
2	<u>Operating Expenses</u>			
3	O&M Expenses - Fuel	314,983,882	-	314,983,882
4	O&M Expenses - Other	50,138,066	-	50,138,066
5	Depreciation & Amortization Expenses	15,814,441	-	15,814,441
6	Taxes Other Than Income	13,393,908	143,268	13,537,176
7	Total Income Taxes	(362,893)	10,839,959	10,477,066
8	Total Operating Expenses	<u>393,967,404</u>	<u>10,983,227</u>	<u>404,950,631</u>
9	Operating Return	7,483,128	17,499,505	24,982,633
10	Interest on Customer Deposits	(332,997)	-	(332,997)
11	<u>Return</u>	<u>7,150,131</u>	<u>17,499,505</u>	<u>24,649,636</u>
12	<u>Rate Base</u>			
13	Gross Plant in Service	528,352,568	-	528,352,568
14	Reserve for Depreciation	(215,456,248)	-	(215,456,248)
15	Net Plant	312,896,320	-	312,896,320
16	Construction Work in Progress	4,121,639	-	4,121,639
17	Deferred Debits / Credits	(6,917,910)	-	(6,917,910)
18	Accumulated Deferred Income Taxes	(37,771,135)	-	(37,771,135)
19	Materials & Supplies	1,463,811	-	1,463,811
20	Total Working Capital	(5,570,348)	-	(5,570,348)
21	Total Rate Base	<u>268,222,377</u>	<u>-</u>	<u>268,222,377</u>
22	<u>Rate of Return</u>	2.67%		9.19%
23	<u>ROE</u>	-1.11%		11.75%

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
OPERATING EXPERIENCE - TOTAL GAS
12 MONTHS ENDED DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Adjust #	Description	Revenues	O&M Expenses	Deprec. & Amort. Expense	Taxes Other Than Income	State Income Tax @ 5%	Federal Income Tax @ 35%	Plant in Service	Accum. Deprec.	CWIP	Def. Debits / Credits	Working Capital
1	Annualize Revenue from Lateral Transfers											
a)	Laterals Transferred in Jan. & Feb. 2005	1,490,862			7,499	74,168	493,218					
b)	Laterals to be Transferred in May 2005	695,543			3,499	34,602	230,105					
c)	Adjust Lateral Customer Revenue for Tariff Rates	395,669			1,990	19,684	130,898					
2	Annualized Wages, Benefits and Payroll Taxes		1,122,369		79,317	(60,084)	(399,561)					
3	Employee Benefit Related Adjustments											
a)	Annualize Pension Income		(228,744)			11,437	76,057				15,821	
b)	Annualize Other Post Employment Benefits		(25,621)			1,281	8,519					
4	Adjust Long Term Disability Amortization			149,439		(7,472)	(49,688)					
5	Remove Employee Clubs		(71,601)	(18,085)		4,484	29,821	(393,736)	(108,315)			
6	Manufactured Gas Plant Related Adjustments			(648,108)								
a)	Amortize MGP Remediation Costs					32,405	215,496					
b)	Annualize Ongoing Expenses for MGP Remediation		308,000			(15,400)	(102,410)					
7	Annualize Cost of ORS Auditor		60,000			(3,000)	(19,950)					
8	Annualize Costs for Pipeline Integrity		485,000			(24,250)	(161,263)					
9	Recognize Property Retirements					-	-					
a)	Plant in Service					-	-	(573,239)	(573,239)			
b)	Depreciation Reserves					-	-					
10	Recognize Property Additions					-	-			(2,557,338)		
a)	January and February CWIP Additions					-	-	3,098,631				
b)	Laterals Transferred in Jan & Feb 2005					-	-	3,169,642				
c)	Laterals to be Transferred in May 2005					-	-	16,618,361				
d)	Depreciation Reserves for Jan & Feb Lateral Transfers					-	-		1,433,379			
e)	Depreciation Reserves for May Lateral Transfers					-	-		3,753,533			
11	Annualize Current Depreciation Rates			1,398,972		(69,949)	(465,158)					
12	New Depreciation Study			1,974,571		(98,729)	(656,545)					
13	Property Taxes				1,288,399	(84,420)	(428,393)					206,175
14	Adjust Working Cash					-	-					
15	Tax Effect of Annualized Interest					(23,071)	(153,421)					
	Total Adjustments	2,582,074	1,649,403	2,856,789	1,380,704	(188,312)	(1,252,274)	21,919,659	4,505,358	(2,557,338)	15,821	206,175

SOUTH CAROLINA ELECTRIC & GAS COMPANY
COMPUTATION OF PROPOSED INCREASE
TOTAL GAS
12 MONTHS ENDED DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Line No.	Description	Requested
	(Col. 1)	(Col. 2)
1	Jurisdictional Rate Base	268,222,377
2	Required Rate of Return	<u>9.19%</u>
3	Required Return	24,649,636
4	Actual Return Earned	<u>7,150,131</u>
5	Required Increase to Return	17,499,505
6	Composite Tax Factor	<u>0.61439</u>
7	Required Revenue Increase	<u>28,482,732</u>
8	Proposed Revenue Increase	<u>28,482,732</u>
	Additional Expenses	
9	Gross Receipts & PSC Support Tax @ .00503	143,268
10	State Income Tax @ 5%	1,416,973
11	Federal Income Tax @ 35%	<u>9,422,986</u>
12	Total Taxes	<u>10,983,227</u>
13	Additional Return	17,499,505
14	Additional Customer Growth	<u>-</u>
15	Total Additional Return	17,499,505
16	Earned Return	<u>7,150,131</u>
17	Total Return as Adjusted	24,649,636
18	Rate Base	268,222,377
19	Rate of Return	<u>9.19%</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY
STATEMENT OF FIXED ASSETS - TOTAL GAS
AT DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)
Gross Plant in Service				
1	Intangible Plant	7,600,395	-	7,600,395
2	Production	11,227,173	66,319	11,293,492
3	Distribution	437,619,926	21,912,898	459,532,824
4	General	31,886,466	334,678	32,221,144
5	Common (1)	<u>18,098,948</u>	<u>(394,236)</u>	<u>17,704,713</u>
6	Total Gross Plant in Service	<u>506,432,909</u>	<u>21,919,659</u>	<u>528,352,568</u>
Construction Work in Progress				
7	Production	66,494	(66,494)	-
8	Distribution	3,757,455	(2,158,228)	1,599,227
9	General	982,408	(332,616)	649,792
10	Common (1)	<u>1,872,620</u>	<u>-</u>	<u>1,872,620</u>
11	Total Construction Work in Progress	<u>6,678,977</u>	<u>(2,557,338)</u>	<u>4,121,639</u>

(1) Gas Portion

SOUTH CAROLINA ELECTRIC & GAS COMPANY
STATEMENT OF DEPRECIATION RESERVES - TOTAL GAS
AT DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Line No.	Description	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1	Intangible Plant	4,149,878	-	4,149,878
2	Production	5,759,732	-	5,759,732
3	Distribution	182,948,885	4,645,057	187,593,942
4	General	12,256,563	(30,884)	12,225,679
5	Common	<u>5,835,832</u>	<u>(108,815)</u>	<u>5,727,017</u>
6	Total	<u>210,950,890</u>	<u>4,505,358</u>	<u>215,456,248</u>

The Composite Depreciation Rates used in computing annual depreciation expense are shown below:

	<u>Current</u>	<u>Requested</u>
7 Gas Production	1.27%	2.19%
8 Gas Distribution	2.28%	2.63%
9 Gas General	4.32%	5.83%
10 Common Plant	15.12%	15.12%

SOUTH CAROLINA ELECTRIC & GAS COMPANY
MATERIALS AND SUPPLIES - TOTAL GAS
AT DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Line No.	Description	Total Electric Per Books	Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)
	Materials & Supplies			
1	Propane	1,173,624	-	1,173,624
2	Other Gas Materials & Supplies	<u>290,187</u>	<u>-</u>	<u>290,187</u>
3	Total Materials & Supplies	<u>1,463,811</u>	<u>-</u>	<u>1,463,811</u>

DEFERRED DEBITS / CREDITS - TOTAL GAS
AT DECEMBER 31, 2004

4	Post Employment Benefit	(8,635,643)	15,821	(8,619,822)
5	Deferred Environmental Costs	<u>1,701,912</u>	<u>-</u>	<u>1,701,912</u>
6	Total	<u>(6,933,731)</u>	<u>15,821</u>	<u>(6,917,910)</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY
WORKING CAPITAL INVESTMENT - TOTAL GAS
AT DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Line No.	Description	Total Gas Per Books	Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)
1	Working Cash	6,061,083	206,175	6,267,258
2	Prepayments	<u>(282,523)</u>	<u>-</u>	<u>(282,523)</u>
3	Total Investor Advanced Funds	5,778,560	206,175	5,984,735
4	Less: Customer Deposits	(5,401,407)	-	(5,401,407)
5	Average Tax Accruals	(5,926,894)	-	(5,926,894)
6	Injuries and Damages	<u>(226,782)</u>	<u>-</u>	<u>(226,782)</u>
7	Total Working Capital	<u>(5,776,523)</u>	<u>206,175</u>	<u>(5,570,348)</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY
WEIGHTED COST OF CAPITAL
AS OF DECEMBER 31, 2004
DOCKET NO. 2005-113-G

Total Company Capitalization @ December 31, 2004

<u>Description</u> (Col. 1)	<u>Amount</u> (Col. 2) \$	<u>Ratio</u> (Col. 3) %	<u>As Adjusted</u>		<u>After Proposed Increase</u>	
			<u>Embedded</u> <u>Cost/Rate</u> (Col. 4) %	<u>Overall</u> <u>Cost/Rate</u> (Col. 5) %	<u>Embedded</u> <u>Cost/Rate</u> (Col. 6) %	<u>Overall</u> <u>Cost/Rate</u> (Col. 7) %
Long Term Debt	1,985,151,597	46.55%	6.57%	3.06%	6.57%	3.06%
Preferred Stock	115,484,400	2.71%	6.40%	0.17%	6.40%	0.17%
Common Equity ¹	2,164,200,426	50.75%	-1.11%	-0.57%	11.75%	5.96%
Total	4,264,836,423	100.00%		2.67%		9.19%